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North Korean prisoners throw away clothing and curse their captors after being repatriated.

8 North Koreans Freed, Jeer Captors

PANMUNJOM, Korea, June 13 (UPI) — The United Nations Command today released and sent home eight North Koreans captured from an armed North Korean boat that sank May 19 after intruding into South Korean waters.

Immediately after their release, the eight Communists cursed at their captors, stripped to their shorts and hurled the clothes they were given in the south across the Military Demarcation Line in this truce village.

The command immediately sent a protest note, accusing North Korea of violating an agreement that there would be no disorderly conduct by either side in the process of transfer.

"Once again, your side has demonstrated its inability to abide by agreements it makes," said U.S. Army Col. Kenneth Kleypas, secretary to the Korean Armistice Commission of the UN Command in a note.

"I most strongly protest the behavior of your personnel and your side's failure to maintain order on your side after the transfer was completed," the note said.

The release procedures took place at 11 a.m. and ended in 15 minutes. The North Korean antics lasted five minutes more.

The release occurred according to an agreement reached June 7 at a meeting of the Korean Armistice Commission which oversees the Korean truce signed in the summer of 1953 to end the three-year Korean War.

After the North Koreans crossed the borderline, they each dumped two bags full of gifts and tried to find rocks they could throw back over the line in an angry gesture.

No one was hurt in the outburst of hostility. Shortly afterward the eight were taken into a North Korean building.

Rights Panel Asks Probe

Abuse by Ulster Police Alleged

LONDON, June 13 (AP) — Amnesty International released a report today on alleged police abuse of suspected terrorists in Northern Ireland and said that a public inquiry was warranted.

Protestants, suspects can be held for up to eight days without charge, and self-incriminating statements can be used more freely as evidence than elsewhere in the United Kingdom.

Amnesty has refused an official request to identify its sources in the investigation. But a Northern Ireland Office spokesman said that the office has asked Amnesty to urge its sources to identify themselves so that their complaints can be investigated.

The report, based on an investigation last year by a Dutch lawyer, two Danish doctors and an Amnesty staff member, was leaked to the press last week.

The Northern Ireland Office, which governs the province in the absence of a local government, responded with plans for investigations by police, the director of public prosecutions, and an independent inquiry committee that will be established.

The report by the London-based rights organization outlined alleged beatings, humiliations, and psychological mistreatment of 78 prisoners suspected of being involved in Northern Ireland's sectarian guerrilla war.

It concluded that maltreatment of suspected terrorists by the Royal Ulster Constabulary had taken place with sufficient frequency to warrant the establishment of a public inquiry.

It also suggested that provisions of emergency laws in Ulster have eroded the rights of suspects and fostered a climate in which mistreatment can happen.

Under emergency laws in the province, a civil war between minority Roman Catholics and majority Protestants.

Accused Nazi Tries Suicide In Brazil Jail

BRASILIA, June 13 (AP) — Guslav Franz Wagner, arrested on May 30 for alleged participation in the slaughter of Jews during World War II, attempted suicide yesterday by eating his eyeglasses, police reported.

Mr. Wagner crushed the lenses with his shoe, police said, and started eating the broken glass, but was stopped by a guard. He is being kept under administrative arrest, a procedure applied to detainees brought by countries that have extradition treaties with Brazil.

Mr. Wagner, 66, a native of Austria who has lived in Brazil under his own name for 28 years, has admitted that he served in the SS at the Sobibor and Treblinka concentration camps in Poland, but he has denied that he took part in the extermination of about 250,000 Jews and Poles who are said to have died there.

He was arrested on May 30 in Sao Paulo. Nazi hunter Simon Wiesenthal initiated a hunt for Mr. Wagner last month when he identified him in a newspaper photograph as a man who attended a birthday commemoration for Adolf Hitler near Rio de Janeiro. Mr. Wagner surrendered, Poland, West Germany, Israel, Austria and Lebanon want to extradite him.

Russians Drag American From His Car

By David K. Shieler

MOSCOW, June 13 (NYT) — An American businessman representing International Harvester was physically hauled out of his automobile last night by Moscow police and taken into custody on a charge of smuggling the U.S. Embassy said today.

[Reuters reported that the United States has protested the incident. The report said that a protest note was presented to Soviet officials at the Foreign Ministry in Moscow today.]

Jay Crawford, 34, a native of Alabama, was seized while driving with his fiancée, Virginia Olbrish. When he stopped at a red light, according to the embassy account, police officers "forcibly" removed him from the vehicle while others remained in the vehicle.

She was allowed to proceed only after he was taken away, an embassy spokesman said.

Without commenting on the validity or falsity of the charges, the embassy made a written protest to the Foreign Ministry over Soviet behavior. The incident, particularly

the method of arrest, was being viewed by diplomats as part of an escalation of official pressure against Americans living in Moscow, a result of the worsening relations between the two countries.

Yesterday the newspaper Izvestia published a long article by Yulian Semenov, a popular writer of spy thrillers, about a former American diplomat, Martha Peterson, allegedly caught last July in the act of planting a cache of espionage equipment, including miniature cameras and ampules of poison, for pickup by a Russian working for the Central Intelligence Agency.

The article hinted, and some well-placed Russians have confirmed, that further revelations of U.S. espionage would be forthcoming.

In large measure, this is a response to the angry rhetoric emanating recently from Washington. President Carter and his national security adviser, Zbigniew Brzezinski, have protested Soviet and Cuban military involvement in Africa, the continued Soviet arms buildup, Soviet violations of human rights and other aspects of Moscow's behavior.

Many Americans here have long suspected that the authorities are behind some of the young men who hang around outside tourist hotels offering to change dollars on the black market, for example, or asking to buy Western clothes.

The assumption of foreigners who live here is that some of the offers, and perhaps most, are set-ups designed to entrap Westerners and give the police evidence to use against them if desired.

But if this is so in Mr. Crawford's case, it is not clear why the Russians would want to make an issue of it. He runs International Harvester's Moscow office, and the company is one of the leading firms doing business with the Soviet Union. It has sold large quantities of badly-needed agricultural equipment, and at a time when some U.S. concerns have become doubtful about the potential of the Soviet market in the midst of political strains with the West.

The charge against Mr. Crawford carries a maximum penalty of 10 years in prison and five years of exile in a remote area, usually Siberia.

Broadcasts of U.S. House Sessions Inaugurated With a Yawn

Only 16 Congressmen Show Up for the 'Historic Occasion'

By Marjorie Hunter

WASHINGTON, June 13 (NYT) — With only 16 members present, the House of Representatives today crept into the electronic age by allowing live radio broadcasts of its proceedings.

"This is an historic occasion," Rep. Albert Gore, D-Tenn., said as he faced the rows of empty seats. But the major radio broadcasts were not exactly falling all over themselves. Only Associated Press Radio carried the proceedings live — and then for just five minutes.

NBC News wanted to plug in about 15 minutes after the opening gavel, but by that time the microphones had gone dead. They are always turned off during a quorum call or roll call, for fear that someone's off-the-cuff remarks might be trumpeted to the galleries.

Hastily discarding the notion of live broadcasting, NBC's Peter Hackes narrated 2½ minutes of excerpts that were taped earlier. "The highlight was getting off the air," Mr. Hackes said later.

CBS News waited an hour before putting on a reporter with a minute or so of taped excerpts. ABC News, Mutual, UPI Audio and other radio broadcasters also used taped excerpts later in the day.

Excitement Lacking

What the radio audience would have heard, had the proceedings been broadcast in full, was not exactly the stuff of which drama is made.

At noon, Majority Leader Jim Wright of Texas banged the gavel and a clerk announced that Speaker Thomas O'Neill had designated Rep. Wright as acting speaker for the day.

The Rev. Edward Latch, House chaplain, delivered the opening prayer, reminding his sparse audience of "these troubled times."

And so it went, with Rep. Robert Sikes, D-Fla., complaining about President Carter's decision to increase beef imports and a

few others speaking about various things.

Ten minutes into the session, Rep. Charles Wilson, D-Calif., glanced around the nearly deserted chamber and suggested the absence of a quorum.

The microphones were switched off, the electronic scoreboard was switched on and, for

High Court Says U.S. Newspapers Cannot Buy Radio, TV Stations

WASHINGTON, June 13 (NYT) — The Supreme Court ruled unanimously yesterday that newspapers can no longer acquire radio or television stations, a policy developed by the Federal Communications Commission to promote diversity of viewpoint and limit concentration of economic power.

The high court also said, however, that existing combinations of newspapers and broadcast outlets should be allowed to continue. This reversed a lower court order that required all newspapers to divest themselves of radio and television stations.

The only cases in which divestiture will be required involve 16 monopoly communities in which the only newspaper owns the only television station, or, if there is no television station, the only radio station.

The ban on future combinations may have been academic. According to FCC figures, the share of television channels controlled by newspapers had been dropping steadily, from 40 percent in 1950 to 14 in 1969 and 10 in 1975.

Franjeh Vows Revenge on Phalangists

Son of Lebanese Ex-President Killed in Raid by Rival Militia

From Wire Dispatches

BEIRUT, June 13 — The son of former Lebanese President Suleiman Franjeh was killed today, along with 37 of his followers, by members of the Phalangist militia, a rival rightist Christian group.

The predawn artillery and mortar raid on the villa of the younger Franjeh shattered the Maronite Christian alliance formed here during the recent civil war and the Franjeh family vowed revenge raids that are liable to trigger widespread violence.

Tony Franjeh, 37, who led his father's militia, was killed along with his wife and baby daughter and their bodyguards when the villa was attacked by the heavily armed Phalangist force and burned down.

Twelve Phalangists also reportedly died in the battle.

Vowing revenge, the ex-president flew to Zghorta, the Franjehs' ancestral hometown and power base in northern Lebanon. The villa at which the younger Mr. Franjeh was killed is about 10 miles away in Ehdun.

Syrian Foreign Minister Abdel Halim Khaddam and General Rifaat Assad, brother of Syria's president, flew by helicopter to Zghorta to express their condolences, but Mr. Franjeh appeared determined to launch his Zghorta militia against that of the larger, better organized Phalangist Party led by Mr. Pierre Gemayel.

The battle, climaxing recent friction between Christian factions, brought Syrian units of the peace-keeping force into key positions in northern Lebanon in an effort to maintain order.

The collapse of the Christians' Lebanese Front appeared likely to increase Syria's role in Lebanon, both as peacekeeper and as political supporter of Lebanese President Elias Sarkis, commentators said.

Mr. Sarkis, himself a Maronite Christian, has championed closer cooperation with Syria than is desired by hard-line Lebanese Christians.

In a press conference, Bechir Gemayel, son of the Phalangist

chief and the militia's leader, acknowledged that Phalangist Party members took part in this morning's assault on the Franjeh villa.

The assault followed a series of inter-Christian clashes in recent weeks between the senior Mr. Franjeh's followers and Phalangist gunmen as Phalangists attempted to gain political control over northern Lebanon — traditionally the Franjehs' territory.

Resisting Phalangist encroachments, Mr. Franjeh withdrew from

the Lebanese Front this spring and sided with the Syrians when they clashed with Phalangist militias around Beirut.

Phalangists sought to discredit Mr. Franjeh by recalling the blatant corruption practiced when he

was president and his son, Tony, was minister of telecommunications. Recent Phalangist statements also referred clearly to the continuing profitable exactions by the Franjehs in the northern region —

(Continued on Page 2, Col. 7)

Castro Assails U.S. on Zaire Allegations

U.S. Withheld Cuba Message After Invasion

By Martin Tolchin

WASHINGTON, June 13 (NYT) — The White House was aware of Cuban President Fidel Castro's contention that he tried to stop the invasion of Zaire's Shaba province by Angola-based Cubans, but chose not to make it public, Jody Powell, Mr. Carter's press secretary, said today.

"I know of no obligation of this government to release all private statements in a public forum," Mr. Powell said at a news briefing.

The administration made the Castro message available to the Senate Foreign Relations Committee last week. It had been received on May 17, when congressional questions were being raised about the evidence to support the president's denunciation of the Cuban role in the Katangan incursion.

Mr. Powell said that, prior to Mr. Carter's denunciation of the Cubans, the White House was aware of Mr. Castro's contention, which had been communicated through Lyle Lane, the chief U.S. diplomat in Havana. The president charged eight days later that the Cubans not only had known of the invasion plan but "obviously did nothing to restrain them from crossing the border."

Mr. Powell said that the president's charge "was an assessment with all the factors available, appropriately considered."

"It has not changed," he said.

The press secretary said that he did not know if the president had been aware of Mr. Castro's contention prior to last month's speech, but other White House officials were aware of the Cuban leader's position, and that "[the president's] statement was made with that in mind."

Mr. Powell sidestepped questions about whether the White House believed that Mr. Castro had lied. But he noted that the Cubans had denied any involvement in the Katangan invasion and said that they had a poor track record for telling the truth.

Other administration officials privately indicated that the White House did doubt that Mr. Castro had taken steps to restrain the invaders. They noted that Mr. Castro cited the illness and absence of Agostinho Neto, the Angolan leader, as an explanation for the failure of the intervention.

But an administration official said that given the seriousness of the situation, Mr. Castro would have been understood by Mr. Neto's absence if he had wanted to head off the invasion. Mr. Castro would have gone to other Angola leaders as well as heads of other African nations, the official said.

In a related development, Mr. Powell said that Secretary of State Cyrus Vance would be available to

Cuban Leader Blames Aides For Deception

By Jon Nordheimer

HAVANA, June 13 (NYT) — President Fidel Castro charged today that President Carter had been "manipulated and deceived" by elements in his own administration concerning last month's invasion of Zaire's Shaba province by Katangan troops. He blamed Zbigniew Brzezinski, the president's adviser on national security.

He said, however, that he would be willing to meet with Mr. Carter to try to sort out the tangled circumstances behind the invasion and the allegations after it.

Mr. Castro emphatically denied charges that Cuba had supplied the Katangan rebels and trained them before the invasion last month, and said that it has been the policy of his government to avoid "encouragement" of the Katangans since the end of the Angolan civil war in 1976.

Relations Impaired

Mr. Castro also said that the developments had caused U.S.-Cuban relations to sink to their lowest point since Mr. Carter took office, although, he added, "it is not as bad as it was during the Nixon administration."

"It is not a half-lie," he said of the charges that Cubans were involved in the Shaba invasion. "It is an absolute, total, complete lie."

Mr. Castro, asked why Mr. Carter's "close advisers" would manufacture such allegations, said, "I suspect these lies were manufactured to justify the intervention in Shaba," referring to the use of French and Belgian paratroops.

He was careful to avoid suggesting that Mr. Carter personally was involved in producing what he called a "gross fabrication" about the Cuban role in Africa.

"It was a manufactured lie — manufactured in Brzezinski's office," Mr. Castro said. "I think Mr. Carter has been confused and deceived, but I do not think Mr. Carter has deliberately resorted to this himself."

"Without doubt," the Cuban leader said, "people inside his administration want to manufacture their own Gulf of Tonkin in order to intervene in Africa." He was referring to the incident involving U.S. warships in 1964 that led to intensified U.S. involvement in the Vietnam war.

He said that before the Carter administration charged that Cuban troops were involved in the Shaba incident, he had supplied the U.S. government with information about rumors that Katangan rebels were preparing to invade Shaba. He added that this was "the first time in my career" that he had given Washington such information.

He gave this account of his exchanges with Washington last month: "Between the 11th and 12th of

(Continued on Page 2, Col. 6)

India Planning To Prosecute Indira Gandhi

NEW DELHI, June 13 (UPI) — Police will file criminal charges against former Prime Minister Indira Gandhi, a Home Ministry official said yesterday.

The charges will be based on findings of a judicial commission investigating actions by Mrs. Gandhi and other officials during her emergency rule, the official said. He did not say when prosecution would start.

The commission, chaired by a former chief justice of India, Jayantilal Shah, submitted two interim reports to the government last month. It found Mrs. Gandhi misused her power and abused her authority for personal gains during the 21 months of emergency rule that ended with her defeat in the March 1975 national elections.

It said that Mrs. Gandhi imposed the state of emergency solely to maintain her position as prime minister.

House employees and fed into the networks, a system in which networks would pool coverage with their own technicians.

Rep. O'Neill has insisted that the House maintain its own camera and audio technicians, which have been beaming closed circuit radio and television into offices of House members.

But television officials insist on providing coverage on their own, and House leaders have decided to wait until at least next year before allowing any kind of television coverage except the closed circuit system.

Radio broadcasters also have protested the in-house system, but most major radio networks and other radio broadcasters reluctantly plugged into it after AP Radio announced that it would do so.

While the Senate does not allow daily radio or television coverage, it permitted radio broadcasting of the Panama Canal treaty debate this spring.

Only An Experiment

Live radio coverage is an experiment, but if it proves successful, it may lead to live television coverage of the House.

The House authorized gavel-to-gavel radio and television broadcasting of its proceedings last year, but the matter got bogged down over which system to use — a system manned by

A Transatlantic Record

U.S. Approves \$99 Fare For Boston-Amsterdam

WASHINGTON, June 13 (UPI) — The Civil Aeronautics Board ruled today that Pan American World Airways can start offering history's lowest scheduled transatlantic fare Thursday — \$99 for a standby ticket for nonstop flights from Boston to Amsterdam.

The board acted unusually quickly, giving its approval hours after Pan Am proposed the new fare. Round trip will cost \$149.

A Pan Am spokesman said the low fare would stay in effect through July 14 to introduce the month introductory period, he said, the fare would go to a permanent \$155 one-way or \$279 round-trip.

Even the higher permanent fare represents a major discount. An economy class round-trip ticket from Boston to Amsterdam on existing routes, with a stop in London, costs \$812.

A spokesman compared Pan Am's new fare with that of the pioneering all-standby, no-frills Skivtrain service offered by British Laker Airways between London and New York.

Pan Am will use Boeing 707s capable of carrying about 180 passengers in nothing but economy-class seats, the spokesman said. Passengers will be assigned seats on a first-come, first-served basis starting 5 1/2 hours before each flight's departure. "It's total standby, no reservations," the spokesman said.

Only coffee and tea will be served free on board. The spokesman said that audio headsets, soft drinks and mixed drinks can be purchased during flight. In-flight meals must be paid for at the airport before departure.

The board's haste, and the airline's decision to offer a big discount, were prompted by the fact that Pan Am authority to fly from Boston to London will expire Thursday under terms of a new U.S.-British air agreement.

Pan Am and Trans World Airlines both fly from Boston to London now, but the new agreement limits the United States to one carrier on the route, and the CAB decided it should be TWA.

Somalia Denies Aiding Rebels Against Ethiopia

MOGADISHU, Somalia, June 13 (UPI) — The Somali government today denied Western media reports that units of its army, disguised as civilians, were fighting with the guerrilla force against Ethiopia.

"The Somali Democratic Republic immediately withdrew the units of its troops from western Somalia" following the decision by the central committee of the Somali Revolutionary Socialist Party on March 9, the government statement said.

"Let it be clear that no single Somali soldier is to be found in western Somalia. All that Somalia gives to the liberation movements of western Somalia... is moral support, for their cause is a just one," the statement added.

In Paris, the Somali Embassy expressed surprise about reports in the French press attributed to Zaire's press agency that Somalia would send a military contingent to Zaire. Somalia "has no intention to participate in this so-called pan-African intervention force," it said.

Laker to Los Angeles

LOS ANGELES, June 13 (UPI) — Laker Airways today announced a new service between Los Angeles and Britain to begin Sept. 26.

It will cost \$162 for the one-way flight from London to Los Angeles on the Skytrain — less than half the normal economy fare offered by other airlines — except during the peak months of July, August and September when the flights will cost \$185.

The fare for the Los Angeles-London route will be \$220 and rise to \$248 during June, July and August.

Flights will be offered daily between Los Angeles and London on DC-10s capable of carrying 345 passengers.

N.Y. Daily News Struck by Guild

NEW YORK, June 13 (UPI) — About 1,300 reporters, editors and commercial employees today went on strike against the New York Daily News in a contract dispute with the nation's largest-circulation daily.

The negotiations between management and the Newspaper Guild were broken off and Guild members set up picket lines outside the Daily News Building on 42d Street.

It was not clear if Guild members at The New York Times and the Post would join the walkout. The management of both The Times and the Post said they would support the News but it was not known what form that support would take.

Moscow Agrees to Seek Troops Ceilings

(Continued from Page 1)

forces, approximately twice as many Soviet forces would be removed from Europe as U.S. forces.

The Soviet proposal is described by officials as Moscow's first major move in the talks. As such, it is thought to reflect a new Soviet desire to reach agreement. "We now have the basis for real negotiations," a White House official said.

Biggest Problem

Still, several issues remain to be resolved in the talks, and officials stressed that it was premature to suggest that the two sides are close to agreement.

The biggest problem now standing in the way of an accord, officials said, is that negotiators disagree over estimates of the number of troops each side deploys in Central Europe.

Moscow says that Warsaw Pact ground forces number 805,000, so that, under its new proposal, about 105,000 troops would have to be removed from the region. Western intelligence analysts contend that Warsaw Pact ground troops exceed 950,000, and that to get down to the proposed 700,000 ceiling much larger Soviet cuts would be necessary.

Because Moscow and its allies are reluctant to release much information concerning their forces, specialists predict that it could take months, if not years, to settle the question. Until it is settled, U.S. officials assert, it will not be possible to complete a new accord.

Yet Moscow's acceptance of the principle of equality is still seen as an encouraging sign.

Moscow originally proposed in the talks that the United States and the Soviet Union each remove 20,000 troops from Europe. Next there would be consecutive 5 and 10 per cent reductions in overall Eastern and Western forces. Because the "equal percentage" cuts would have allowed the East to maintain its advantage in troop numbers, Western negotiators rejected this approach.

They proposed instead that in the first phase of a new accord the United States would withdraw about 29,000 troops and the Soviet Union 68,000. Next there would be a mutual reduction of Eastern and Western forces to a common ceiling of 700,000.

To enhance the attractiveness of this offer, the West proposed to include 1,000 nuclear weapons and 90 missiles and aircraft in the Western reduction if Moscow agreed to withdraw 1,700 tanks from East Germany, Poland and Czechoslovakia. Officials say that Moscow has shown willingness to withdraw only 1,000 tanks. This is another stumbling block at present.

U.S. Ship Sinks After Collision

GIBRALTAR, June 13 (UPI) — The 11,304-ton U.S. bulk carrier Yellowstone sank in the Mediterranean today after a collision with an Algerian freighter off Gibraltar yesterday that killed five of the U.S. ship's crew and seriously injured three.

A spokesman for Britain's Royal Navy, which was leading the rescue operations from the Gibraltar base, said that the few remaining Yellowstone crewmen and the two Navy men aboard the Yellowstone were transferred to a Navy tug shortly after the ship separated. The Algerian vessel Ibn Batouta headed for the Algerian port of Oran under its own steam. The damage it suffered was well above the waterline.

Firebombs Raze Depot in Belfast

BELFAST, June 13 (AP) — Ten firebombs exploded in a bus depot in Belfast last night, destroying the building and 20 buses, police reported.

The bombs, planted by three men who held guns on the staff, exploded in the Smithfield bus depot close to a British army base in the Grand Central Hotel.

Police had been told of a telephone warning to a social-welfare group that the bombs had been planted. As they started to evacuate people from nearby houses, the first of the bombs, set to explode at five-minute intervals, went off, a spokesman said.



STATE VISIT — Romanian President Nicolae Ceausescu waves as he rides in the State Coach with Queen Elizabeth as they set off on a procession to Buckingham Palace.

Zaire to Allow IMF to Manage Economy

By Paul Lewis

BRUSSELS, June 13 (NYT) — President Mobutu Sese Seko of Zaire apparently agreed today to wide-ranging international control of his country's economy as part of a \$1-billion, Western-backed plan for shoring up his shaky regime.

Further weakened last month when Soviet-backed rebels invaded Shaba province and closed some of its mines, the Zaire government today agreed to let the International Monetary Fund in Washington to take effective control of Zaire's economy, was reached on the first day of a two-day meeting here between the United States and 10 other Western countries backing a new plan for strengthening Zaire's economy and underpinning the Mobutu regime.

Besides the United States and Zaire, other participants in today's meeting were Britain, France, West Germany, the Netherlands, Belgium, Italy, Canada, Iran, the IMF and the World Bank. Although Saudi Arabia is not represented at the talks, it has agreed in principle to join these other countries in giving economic aid to Zaire.

Today's agreement, which provides for the International Monetary Fund in Washington to take effective control of Zaire's economy, was reached on the first day of a two-day meeting here between the United States and 10 other Western countries backing a new plan for strengthening Zaire's economy and underpinning the Mobutu regime.

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Today, the Belgian government spokesman said the Zaire delegation has agreed to let the IMF put a representative in the central bank of Zaire to oversee all spending. Zaire also accepted a similar outside oversight in its Finance Ministry and will impose new restrictions on imports to save foreign exchange.

But officials here tonight said that before Western governments provide more long-term aid for Zaire, they want President Mobutu to draw another loan from the IMF and agree to carry out the tough economic policies it will demand in return.

If Zaire can reach agreement on new economic policies with the IMF, a group of big international banks, headed by Citibank, is also expected to provide further assistance and ease repayment terms on some of the country's huge outstanding loans.

Kenya, Tanzania Moving Toward Normal Relations

By David Lamb

NAIROBI, June 13 — Amid much fanfare, Kenya recently released three Tanzanian vessels it had seized on Lake Victoria near the border between the two countries was closed in February, 1977.

Although the boats had been stripped of navigational aids, lifeboats, life jackets, radios and galley equipment, Tanzania accepted their return with gratitude at a brief ceremony.

Tanzanian sailors scrambled aboard the Victoria, Nyangumi and Umjia, used to ferry passengers and cargo on the lake. After fiddling with the controls for a few minutes, the pilots had to admit that they had forgotten how to work them.

"Don't worry," a Kenyan pilot said in a show of neighborly good will, "we'll teach you." Whereupon he pushed the Victoria ahead full throttle, ramming the other two boats, nearly sinking all three and causing damage that will prevent their return to service for three months or more.

However inauspicious the occasion was, it at least served to remind everyone that two old friends, capitalist Kenya and socialist Tanzania, are making modest progress in solving what is probably the least necessary of Africa's 15 border disputes.

The border was closed to ground and air traffic 17 months ago by Tanzanian President Julius Nyerere because, among other things, his country was not getting its fair share of the lucrative East African tourist market.

At the time, most safaris originated and ended in Kenya and usually included only a day or two in Tanzania, so Kenya got the lion's share of the tourist dollar.

Everyone was the loser. Kenya lost a trading partner that annually brought \$15 million worth of its products. And Tanzania, which has more wildlife but less sophisticated tourist facilities, lost much of its tourist industry. Today games lodges in Tanzania are closed, and tourists spend their entire safaris in Kenya.

At the time of the closure, Tanzanian helicopter crashes in New York; 7 Die

KEESEVILLE, N.Y., June 13 (UPI) — An Air National Guard helicopter crashed during a rainstorm today, killing all seven persons aboard.

The helicopter was en route from Plattsburgh Air Force Base to its home base on Long Island.

BUENOS AIRES, June 13 (UPI) — A bomb exploded outside the house of an army officer today, damaging the building but causing no injuries, officials said.

The explosion was at the home of Gen. Reynaldo Bignone, who is in charge of the army's political affairs.

Rhodesian Pact Is Condemned By Ex-Premier

SALISBURY, Rhodesia, June 13 (UPI) — Former Prime Minister Garfield Todd today condemned the March 3 "internal" agreement between Ian Smith and three moderate black leaders and said it would neither end the war nor lead to one-man, one-vote.

"The Salisbury agreement is the culmination of our history of perfidy," Mr. Todd said. He was prime minister between 1953 and 1958 when the country was a British colony.

"The agreement offers life and water but delivers death. It will not bring a ceasefire, nor peace," he told a meeting of the National Unifying Force, a liberal group opposed to Mr. Smith.

Mr. Smith, who had Mr. Todd confined to his ranch for nearly six years, retains his premiership until the end of the year by when "universal adult suffrage elections" are scheduled to install a majority rule black government.

4 U.S. Children Lose Fingers In Tug-of-War

HARRISBURG, Pa., June 13 (AP) — A giant tug-of-war at a school turned into a disaster today when a nylon rope snapped, causing four children to have all or parts of a finger amputated.

Dozens of pupils and faculty members were injured, school officials said. Some children, ranging in age from 9 to 13, had rope cuts so deep that the tendons in their hands were severed, according to a hospital spokesman. Fifty pupils and faculty were hospitalized.

A school spokesman said that 2,200 persons were taking part in the game at the Harrisburg Middle School, using a 1 1/2-inch-thick nylon rope. The rope, said to be designed to hold the stress of 3,000 persons pulling, broke 12 minutes after the contest started.

Buenos Aires Bomb Hits General's House

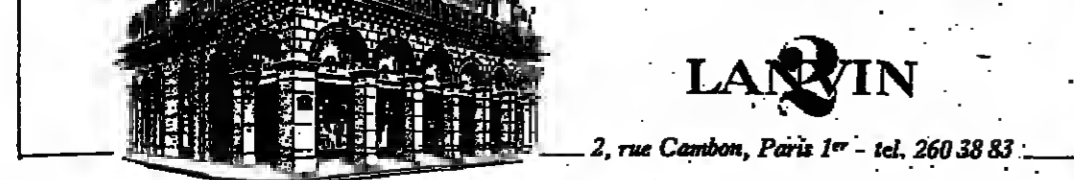
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A suit that's almost as light as a shirt

IT WEIGHS under 25 ounces, and yet it washes just like a shirt. It dries in three hours without a wrinkle, and so no ironing is needed. And it comes in various blues and beiges, plain or with very fine stripes, and also in khaki (# 1,550). The secret of its extraordinary lightness is the way the cloth is woven: it's a Terital twill made on silk looms.

Lanvin 2 can also show you a bush jacket in the same fabric: in blue, beige, khaki or white (# 1,390).



A Practical Guide to U.S. Taxation of Overseas Americans

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UN to Man Checkpoints

Israelis Finish Lebanon Pullout

MIS-AL-JEBEL, Lebanon, June 13 (AP) — Israel today lowered its flag over southern Lebanon, ending a 91-day occupation of the zone north of the Israeli border, which is now to be controlled by United Nations forces and Lebanese Christians.

Platoons of Israeli and Lebanese soldiers saluted flags of the two nations at a turnover ceremony in the central square of this Moslem village. Then the Israelis boarded three armored personnel carriers and rumbled toward the border a mile south.

In the Israeli border town of Metulla, an army spokesman said that the Israeli withdrawal was completed.

Control of the 6-mile-wide strip from the Mediterranean to Mount Hermon in the east had remained in doubt until a last-minute agreement yesterday between Lebanese and UN commanders.

Col. Saad Haddad, the local Christian commander, said that he had agreed to permit UN troops to man checkpoints and observation posts after getting a pledge from Maj. Gen. Emmanuel Erskine of Ghana that his international force would respect Lebanese integrity and halt Palestinian infiltration into the area.

Israel invaded Lebanon March 15 in an operation aimed at destroying Palestinian bases and arms depots.

Israeli Defense Minister Ezer Weizman yesterday told a parliamentary committee that as many as 300 armed Palestinians had retreated south of Lebanon.

During the turnover, Maj. Ge Avigdor ben-Gal, who commands Israel's northern front, reviewed the Lebanese platoon and shook the hand of each soldier. Two Lebanese armed personnel carriers manufactured in the United States and supplied by Israel, were parked at the edge of the square.

The UN force (UNIFIL) has declared that it will restore the peace and keep the area clear of terrorists, Gen. ben-Gal said.

The United Nations has about 5,000 troops in southern Lebanon with contingents from France, Nigeria, Senegal, Norway, Iraq, Fiji, Ireland and Canada.

Franjeh's Son Is Killed In Phalangist Militia Raids

(Continued from Page 1)

which the Phalangists want to take over.

The Christian rift exploded three weeks ago in attacks by Mr. Frangieh's followers on a Phalangist camp in northern Lebanon in which five Phalangists, including a regional leader, were killed.

In this morning's reprisal, a force estimated at 600 men — Phalangists and men from nearby Becharre, a rival village — surrounded Ehden and opened fire on the Frangieh villa. The Frangieh household later confirmed that Tony Frangieh, his Egyptian-born wife, Vera, and their 2-year-old daughter were in the villa.

It was the first deliberate murder in the civil war of the son of a prominent warlord on either side. Commentators said it could have more consequences than the post-war assassination of Kamal Jumblatt, leader of the pro-Palestinianist Moslem side; his death in Lebanon's Moslem community leaderless. Inter-Christian bloodshed now could divide the sect to the point of paralysis, sources said.

Even before today's clash, co-ordination had frayed among groups of the three main Christian leaders — Mr. Gemayel, Mr. Frangieh and former president Camille Chamoun. Friction was attributed both to rivalries for local advantages and to differing views about Syria.

After accepting Syrian help for tactical reasons during the civil war, many Lebanese Christians have reverted to their traditional suspicions of Syrian intentions in Lebanon. When the Lebanese Front recently blocked Syrian suggestions by President Sarkis, Mr. Frangieh appeared ready to break ranks for his own advantage.

Foreshadowing, savage intra-Christian fighting, Mr. Frangieh today vowed a "war to the death" against his son. Diplomats said was not an empty threat, even though the Phalangists prohibit outnumbered the Zghorta fighters at least ten to one.

Chamoun, Zghorta, a mountain stronghold of Maronite Christians, is renowned as tough fighter and Mr. Frangieh must act violent in order to retain his ascendancy as a community notorious for its mental mentality and vendetta violence.

Regarded as a godfather figure of the wild region, Mr. Frangieh has reputation that includes personal shooting to death a dozen men from a rival family in a church the 1960s during a service ostensibly held to seal a peace pact with them.

In order to gain the presidency 1970, he broke an electoral deadlock in Lebanon's Parliament brandishing a pistol as a threat.

As the Frangieh government aroused widening opposition, Phalangist Party chose to support him in common cause against Palestinians and Lebanese Moslems and leftists. But Phalangists made no secret of the intention to dominate the post-war political scene in Lebanon.

instrument against us," Mr. Castro said.

He said that during the Senate debate earlier this year on the sale of fighter planes to Egypt, Saudi Arabia and Israel, "somebody within the administration" used the presence of the Cuban advisers in Southern Yemen to "convince the Senate on the advisability of the sale of the planes."

"All this gives me the impression someone inside the administration is making use of lies to manipulate Congress and the president," he concluded.

"His wife rising with conviction, he reiterated his assertion that Cuba had not supplied arms, training or advisers in the Katangans, and, in fact, had deliberately avoided contact with them because Havana feared that an attack on Zaire would divert attention from the struggle against the governments of Rhodesia and South Africa."

"We assist liberation movements in South Africa and Rhodesia and we do not deny that," he said.

Castro Says Aides Misled Carter on Zaire Invasion

(Continued from Page 1)

May, the first news was released of the Shaba events. Between the 12th and 15th of May, two statements were released by the U.S. government that contained the truth, saying there was no evidence Cubans were involved in this operation.

"On the 15th, through the U.S. interests section here, we received a message coming from officials of the U.S. government on the highest level. In our opinion, that was the message on Africa that was constructive and positive."

At first Mr. Castro resisted naming the source of this message, but later he explained that he had been advised that his original message had been conveyed to Secretary of State Cyrus Vance, who gave it to Mr. Carter, and that the return message apparently was the product of both men's thinking.

"This exchange, he said, was, in his opinion, a 'positive and constructive gesture' between the two countries. He said that the message conveyed to him by the U.S. officials contained 'a kind response and expressed satisfaction of my talk with Lyle Lane,' the chief of the diplomatic office that the United States maintains in Havana."

Within hours, the Cuban leader charged, the content of his messages to Washington had been leaked to the U.S. press.

"Not all of it was leaked," he said, "but part of it that we had given assurances to the U.S. government that we had no role in Shaba."

By that evening, a State Department spokesman in Washington made the accusation that Cuba had a role in the Katangan invasion.

"It was a brutal way, a really gross and offending way that had no consideration at all for us," he continued, his voice showing occasional anger. "It was something really strange. If the U.S. had any doubts it could have conveyed those doubts to us through Mr. Lane, but it all happened within hours."

He said that the closing of the U.S. diplomatic office here, a step that has been recommended by some key U.S. political figures, would be counterproductive, and would force the closing of the Cuban office in Washington.

Regarding Mr. Brzezinski, the Cuban leader said that "in my personal view" the president's national security adviser had made deliberate attempts to use the African problem to impair U.S.-Cuban relations. "He has used blackmail as an instrument against us," Mr. Castro said.

WASHINGTON, June 13 (WP) — The United States has issued a complex and highly qualified pledge not to use nuclear weapons against countries that have none themselves.

Secretary of State Cyrus Vance made the pledge public yesterday, in the name of President Carter. State Department officials said it was designed to "extend a feeling of security" to countries that renounce atomic weapons, and to improve the U.S. posture at the current United Nations special session on disarmament.

The 73-word pledge will have little practical effect on U.S. policy on the use of nuclear weapons, officials admitted. It does not appear to change the substance of a pledge made by Mr. Carter on Oct. 1 at the United Nations.

Nevertheless, proponents within the government expressed hope that the new pledge would be welcomed by Third World nations, particularly those such as India that have not yet signed the non-proliferation treaty renouncing acquisition of nuclear weapons.

New Reference

Mr. Vance aired the statement in a brief press appearance before going to Andrews Air Force Base to greet Indian Prime Minister Morarji Desai, who arrived on a state visit.

The pledge said: "The United States will not use nuclear weapons against any non-nuclear weapons state party to the Non-Proliferation Treaty or any comparable internationally binding commitment not to acquire nuclear explosive devices, except in the case of an attack on the United States, its territories or armed forces, or its allies, by such a state allied to a nuclear weapons state, or associated with a nuclear weapons state in carrying out or sustaining the attack."

At the United Nations in October, Mr. Carter said much the same thing, but without specific reference to states that renounce nuclear weapons. His pledge then was: "We will not use nuclear weapons except in self-defense; that is, in circumstances of an actual nuclear or conventional attack on the United States, our territories or our armed forces, or such an attack on our allies."

State Department officials said the new formulation did not affect the longstanding U.S. refusal to rule out option of using nuclear weapons against a heavy Soviet convention attack in Europe or a North Korean attack against South Korea.

U.S. More Cautious

Asked to cite an example of the new pledge, an official replied: "A Ruritanian civilian were to kick GI, the U.S. would not be barred from using nuclear weapons [under the previous pledge]. Under the new pledge, it would."

The United States, the Soviet Union and other nuclear powers have often been urged to make a pledge never to use nuclear weapons against states that do not have them, as part of the political price to be paid to nations that forgo the nuclear option. State Department officials said that one of the reasons for yesterday's statement was that European countries, Japan and Third World countries had been urging some U.S. assurance.

The Soviet Union has pledged not to use nuclear weapons against a state that has renounced them and that has no nuclear weapon based on its territory.

Not to Use A-Atoms Non-Nuclear States Get Hedged U.S. Bomb Vow

By Don Oberdorfer

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U.S. Held Cuba Note

(Continued from Page 1)

brief senior members of the House International Relations Committee who had written to Mr. Carter, requesting a clarification of White House policy toward the Soviet Union.

Mr. Powell said that the administration had been considering foreign policy briefings for Congressmen and that Mr. Vance planned to honor the congressional request.

Rep. Clement Zablocki, D-Wis., chairman of the House International Relations Committee, and 13 other committee members, had signed the letter to Mr. Carter.

"Many members of Congress are embarrassed by their current inability to answer questions from their constituents as to what is U.S. policy on such issues as Soviet-American relations and Africa," the letter said.

Iranese Arrested; Said to Aid Rebels

JAKARTA, Indonesia, June 13 (Reuters) — An undisclosed number of Iranian have been arrested by Indonesian troops near the border with Papua New Guinea. They are charged with helping a group of separatist Iranian rebels cross the border into Papua territory, military sources said here today.

The rebels are said to have killed two of seven Indonesian officials that they seized May 16. They had been demanding \$400,000 ransom.

Canada: A Federal Solution

If there is to be a solution for Canada's problems with jealous — and, in the case of Quebec, positively hostile — provinces it will have to be an effective federalism. And what Canada is seeking now, through Prime Minister Trudeau's efforts to gain acceptance of a new constitution, is what many nations, riven by ethnic or religious divisions, must also seek.

The Canadian experience has certain unique features, historically and geographically. A one-time colony then, a dominion now still formally subject to the British throne, it developed under various forms of outside pressures and encouragements. As a relatively thin strip of readily habitable territory, split up by bays, rivers, lakes and mountains, it took a variety of forms, culturally and economically. And the basic division between English-speaking and French-speaking people proved a persistent difficulty.

Given these divisive factors, the North American Act — a Canadian constitution provided by the British Parliament — was never a very satisfactory form of government although it did see a nation consolidate itself from sea unto the sea and fight two major wars. The problem was that the provinces retained a great deal of local power, but, as provinces, had little impact on the central government. The House of Commons organized itself largely on party lines, while the Senate was a kind of honorary House of Lords, rather than, as in the United States, a representation of the federation.

Now Mr. Trudeau is trying to alter that, while the provinces watch suspiciously. The Maritime Provinces are poor, still largely dependent on fish, timber and Ottawa; Quebec is, above all, French, and its premier seeks its independence; Ontario is rich and industrialized — and plays much the same role in the eyes of the rest of Canada as the East and its establishment did until recently in the United States; the Prairie Provinces raise grain and cattle; Alberta produces oil; while British Columbia, cut off by the Rockies, is about as independently-minded as Quebec.

To reconcile the practical and emotional differences of the provinces, maintaining the rights to which they cling while creating a central government that can function, is far from easy. When Quebec's special demands are taken into account it may prove impossible. But Canada has known a sense of nationhood as well as of differences within recent years; it is aware of the perils of too much fragmentation just as it fears to emulate the drift of the United States toward centralization.

If Canada can accept its new constitution, and make it work, it will have contributed not only to its own national identity, but provided an example for a world that needs, urgently, to combine the values of both the lesser and the greater realities, the desires that separate parts of humankind and the necessities that must bring those parts into cooperation.

Living With Uncertainty

From important domestic quarters and from the Soviet Union, the president's foreign policy drew interestingly consistent challenges over the weekend. Indeed, there was enough symmetry to make you think that, collectively, if not yet individually, people are beginning to get the point of what Mr. Carter is trying to do. He is trying, we think, to convey a very simple message: If the Soviet Union wishes to combine a restrained competition with the pursuit of certain common objectives, then the United States is eager to cooperate in that enterprise, but Moscow cannot expect to run roughshod over U.S. interests in some parts of the world without putting at risk its overall relationship with the United States. That was the gist of his Annapolis speech last week.

Senior members of the House International Relations Committee on the one hand and the AFL-CIO on the other, now find the Carter policy uncertain. The congressmen find an uncertain commitment to détente, the labor people an uncertain commitment to standing up to Soviet power. We hope they study each other's positions, and try to empathize with each other's anxieties. For their concerns are not mutually exclusive. They are talking of the same policy — from opposite points of view. The policy lends itself to contrary interpretations because the reality it confronts is itself contradictory. There are in Soviet policy and the international situation elements both promising and disturbing. It is promising, in particular, that the Russians are at least exploring in SALT ways to restrain the arms competition, including their own buildup. The disturbing element is, in particular, the historically unprecedented deployment of Soviet military power in Africa. The United States cannot fail to react to both, and so its own policy is ambivalent too. It would be easier for policymakers, and

easier on all our nerves, if reality were one-dimensional, as it is, for instance, in a war — or in an isolationist turning away from all responsibility for what goes on in the world. But reality, in fact, is ambiguous, uncertain and confusing, and much of the current foreign policy debate fails to take this elemental fact into account. The country is not in a great budding crisis of international policy. It is in confusing circumstances, and will be for years.

Oddly enough, Pravda, in its reaction to Mr. Carter's Annapolis speech, seemed more aware than many U.S. listeners of the ambivalence built into U.S. policy. The speech, Pravda said, had "some positive moments" in its references to the importance of détente and arms control, and some "cold war" passages, in its references to internal Soviet affairs and Soviet support for "national liberation movements." Like some of the administration's domestic critics, who by now ought to know better, the Kremlin chose to attribute the parts it didn't like to the machinations of Zbigniew Brzezinski and other dark precincts — this despite the fact that the speech was written out in longhand and in solitude by the president himself.

More important than Moscow's unsurprising and rather defensive-sounding complaints, however, is its recognition that there are different elements in U.S. foreign policy. From there, optimists are entitled to hope, Moscow can perhaps accept that there are also different elements in its own. Such mutual recognition, we think, is an essential prelude to removing the static quality in the Soviet-U.S. air. The task for both great powers is to live with uncertainty, reducing as they can its risks and costs but understanding that no end to uncertainty is in sight.

THE WASHINGTON POST.

International Opinion

Cynicism and Arms Talks

It is very easy to be cynical about disarmament sessions. . . . What can dozens of pious speeches achieve where years of negotiation have largely failed. The world spends something like \$398 billion a year on arms and shows very few signs of mending its ways. Developing countries are at least as wicked as superpowers in this respect, and often more so, for some of them inflict severe deprivation on their people for the sake of acquiring the latest modern weaponry. If the human race is being observed from another planet it must look wholly insane in this area of its activities. Yet to abandon all hope of improvement would be the height of cynicism. It is essential to keep trying, keep talking and keep looking for ways of reducing both the dangers and the costs of the worlds armory.

President Carter has needed time to dis-

In the International Edition

Seventy-Five Years Ago

June 14, 1903

WASHINGTON — Andre Cheradame, editor of the Paris publication "Eclair," was arrested in Alexandria yesterday on charges of violating Virginia's "Jim Crow" law. Mr. Cheradame was traveling to Mt. Vernon in the section of a train reserved for black passengers. When the train reached Virginia, the conductor asked him to move but Mr. Cheradame refused, assuming that he was being ridiculed. He was subsequently arrested but charges were later dropped and Mr. Cheradame took the next train to Mt. Vernon.

Fifty Years Ago

June 14, 1928

NEW HAVEN, Conn. — The president of Yale University, Dr. Arthur Hadley, said in an article printed yesterday that U.S. democracy is in danger "not so much from materialism . . . as from misguided idealism." The article, in the Yale Review, cited the urgent need for new ideas in political economy, clear ideas on legal authority and enlightenment on constitutional liberty in response to the many changes brought about by scientific progress.



Countering Soviet Global Aims

By Thomas H. Moorer

WASHINGTON — A general erosion in our commitment to fundamental national-security objectives has been brought about in part by the perception that the competition between the Soviet Union and the United States for dominance in world affairs is over.

While the United States has in recent years backed away from such competition, there is no evidence that the Russians have departed from their plan to attain dominance.

Many see détente as Soviet willingness to retreat, but Moscow openly describes it simply as one more approach to its plan.

Resolve

While the United States seems lacking in resolve, the Soviet Union remains committed to its national strategies, which include the following: avoidance of a major confrontation, or nuclear conflict, with the West until the outcome favors the Soviet Union; development of the capability to win an Atlantic Alliance-Warsaw Pact conflict; and creation of an environment in Third World countries conducive to Soviet orientation and alignment; exploitation of wars of liberation and "nationalism" against "capitalist" nations; development of the means to isolate the United States through denying sea lines of communication; creation of an environment of debilitating competition among Western nations, fostering dissension among them.

The Soviet Union underwrites its objectives militarily and politically by doing the following: accelerating its development of intercontinental ballistic missiles and submarine-launched ballistic missiles; maintaining a massive military force in Europe opposing the North Atlantic Treaty Organization; developing naval forces for projection of power and acquisition of base rights in the Indian Ocean, the Mediterranean and the Caribbean; supporting uprisings, most recently in Angola, Afghanistan and the Horn of Africa; deploying a navy capable of threatening our access to sea lines of communication in a crisis; and creating an environment of increased competition for scarce resources in the West, particularly with Middle East oil.

If we are to counter these Soviet objectives, we must be visibly committed to our own. Objectives critical to our national security must be underwritten with explicit strategies, our political statements and commitments must be orchestrated with the deployment and posture of our forces.

Strive

We must strive to insure that our situation becomes critical to each area of concern remains stable. Our emphasis must be on decisive actions to deter events that might lead to a crisis rather than reacting after the situation is out of hand.

In recent years, we have supported the following four national objectives: We deter an attack by the Russians on our cities by the threat of reprisal attacks against theirs. Military forces in the form of the nuclear triad — submarines, land-based missiles and airplanes — are maintained to underwrite this strategy.

We deter a nuclear attack on our forces by threat of reprisal, and by basing our forces and targeting them against the Soviet nuclear and conventional forces so that the Russians perceive no net advantage in an initial attack.

Against us. Also, China's present alignment draws Soviet divisions from the European front.

Critical

Recent events underscore what should be a fifth national objective equally critical to our national security, and a major component of a viable global strategy: Preventing the Soviet Union from creating an environment in the Middle East, the Gulf, and the Horn of Africa that could result in denial of oil to the United States, NATO and Japan, and deterring the Russians from any overt action against either Iran or Saudi Arabia.

There is a consensus that an interrupted flow of oil from the Gulf is essential to the well-being of most Western nations. Such an interruption, if prolonged, would have a debilitating effect during peacetime, a devastating effect during wartime. Oil from the Gulf could be denied to the West as a result of destruction of the oil fields or through takeover of the producing countries. However, it is far more likely that the flow of oil would be disrupted as a result of Soviet coercion.

Impotent

Through actions such as those in Ethiopia and Afghanistan the Russians can create the perception that the United States is impotent to respond and unreliable as an ally. In the presence of this environment, Saudi Arabia and Iran (long enjoying a special relationship with the United States) may be forced to decide that their national interests are

best served by making substantial concessions to the Russians.

The United States must proceed now to develop a clearly understood and fully supported strategy — both political and military — that underwrites the fifth objective. Admonitions and verbal commitments will not suffice. Neither is it appropriate to adopt the attitude that we should wait and see what happens, that the situation is "not critical yet." Both Saudi Arabia and Iran are deeply concerned by the gathering storm and are distressed by our seeming lack of concern and commitment.

In particular, I would urge that we do the following:

Insure that the president is under no constraint that would prevent him from exercising his authority to counter Soviet initiatives promptly and decisively.

Make arrangements with the governments of Iran and Saudi Arabia for the intermittent deployment of two carrier forces to the Eastern Arabian littoral and Arabian Sea, conducting selected exercises inside the Gulf on a random basis. Since we lack land bases of any kind in that region, the carriers would provide a visible presence and timely manifestation of United States resolve.

Revitalize the bilateral security agreement of 1959 with Iran and explore the possibility of similar bilateral arrangements with Saudi Arabia.

Explore with our allies (NATO and Japan) joint guarantees and military pacts that adequately reflect our common respon-

sibility for maintaining stability in the region and for the security of the sea routes to oil-producing nations.

Exempt Saudi Arabia and Iran from quota restrictions on the transfer of military equipment, explicitly recognizing that they are as important to our national security as the other nations that enjoy this privilege.

Formally arrange for the periodic conduct of joint United States-Saudi-Iranian exercises involving all branches of the armed services — directed at possible external threats — in the Gulf region.

Stability in the Persian Gulf is critical to the United States, NATO and Japan. Our security is threatened if any of these three power centers does not remain strong. The Russians are engaging in actions that give a clear message about their aspirations. The Saudis and Iranians are very concerned; they cannot avoid questioning our commitment, our reliability, and the wisdom of maintaining their alignment with the United States.

We must demonstrate our commitment by following an explicit political and military strategy. We must do this now lest we be faced very soon with a fatal and unsolvable problem.

Thomas H. Moorer, a retired admiral, was chairman of the Joint Chiefs of Staff from July 1970 to July 1974. He wrote this article for The New York Times.

Letters

Sephardic Jews

The story by Dial Torgerson (IHT, May 30) about the swearing to a Sephardic Jew (Yitzhak Navon) as president of Israel, is a disservice to the noble people of Sephardim who should not be called "Oriental Jews" to distinguish them from the "Ashkenazim of European origin" — they should, if anything, be called "Spanish or Spanish-Portuguese Jews" since their origins in the Iberian Peninsula make them every bit as "European" as their Ashkenazic brethren. Only after their expulsion by Israel to Ferdinand at the end of the 15th century did the Sephardic Jews move on to North Africa, Turkey and Greece or the Balkans, taking along as their language "ladino" to preserve their cultural links with Iberia. Anyone who has read the Stephen Birmingham book about the distinguished role of Sephardim in colonial and revolutionary America may wonder why in Israel they must suffer the discrimination that forces them to accept a lower income and educational level as well as a representation in the upper echelons of business and government quite out of proportion to their status as a majority of Israel's Jews. Sephardic Jews are proud of their Iberian heritage, and most Spaniards and Portuguese are deeply moved through many centuries. Perhaps it is time for people in Israel and elsewhere to reappraise the plight of the "second class" citizens.

SANTIAGO BEN AMES, Madrid.

A Rising Gorge

One may applaud Ashley Montagu's homely thoughts on "charity beginning at home" in "Where Does Nonviolence Begin?" (IHT, May 22), but his oracular dictum that "The truth is that human beings have no instincts" makes my gorge rise, both instinctively and aggressively, for all, and despite, those 50 books that the professor has written, one wonders about his bland generalization that certain primitive societies "reveal no evidence of an 'instinct of aggression.'"

Aside from such an inherent improbability — common sense, one ought to say — that aggressive activities could conceivably be absent from biological populations, human or not, there is an odd inconsistency in Montagu's remarks on the subject: In discussing the Force of New Guinea, we are told of "hostile or aggressive reactions by the young" towards older children and adults, and also that "If the attack became painful" and so forth (my italics). So there we are: lambs behaving quite like our own roughnecks. Is Montagu then inferring that we all might do well to take a leaf from tribal mores in order to show us where charity begins? Peace, professor!

PETER BIDDLE, Estepona, Spain.

Cubans in Africa

While reading in your leading editorial (IHT, May 29), the following: "And once the Cubans left, the United States would have no reason to aid the insurgents." I could not help asking myself: "Whom are you kidding?"

The Cubans will not leave Africa unless they are forced to and this is becoming daily more and more difficult. Fidel Castro must be thanking God on his knees for having so many people taken "off his hands."

To bring the Cubans into Africa was — after the building of the Berlin Wall and the mining of the border of East Germany — one of the shrewdest and most evil moves the Russians have made in their foreign policy in recent years. Am sure you know better than I do how vast their influence in Africa has grown since this move. To put forward the idea that the Cubans will leave Africa one day "just like that" is quite misleading.

MARIANNE BERRY, Milan.

Overbooking

What idiocy are we up against now? Will airlines be penalized for overbooking, while permitting passengers to book as many flights as they wish, sometimes not even bothering to cancel their reservations?

Airlines will be obliged to pay stiff compensations and the offending passengers get off free.

Sounds like a very bad business arrangement!

BARBARA BEECH, Brussels.

On the strength of President Carter's own evidence, the Soviet Union has already chosen confrontation. To say that the choice is still open after all that is happening, can only encourage the Kremlin's notion that they can have it both ways.

LIONEL BLOCH, London.

NATO's Boundaries

"Let there be no misunderstanding," President Carter has declared (IHT, June 1), "the United States is prepared to use all the forces necessary for the defense of the NATO area."

Which area? The French version (Le Monde, June 2) proposes a word that really corresponds to the English "perimeter." Are we now being given to understand that nuclear weapons (which could be — and perhaps are — stocked at the West German rocket base in Zaire) may serve to defend NATO's African boundaries?

DAVID DORRANCE, Paris.

Off Balance

But he does not put together a strong policy by balancing off one high official against another, nor does he, by that tactic, communicate the policy to the Russian with clarity.

The intimate involvement in day-to-day foreign policy by a president with so little experience and grasp is dangerous. So the sensible folk for Mr. Carter would be to look for two previous presidents out over the years in foreign policy — Truman and Eisenhower — who placed prime reliance on the secretary of state. The more so as Mr. Brzezinski has managed to make himself red flag to Moscow, and has — I sides the Carter connection — or the frailest ties to the rest of U.S. government.

U.S. Policy Overseas: Rudderless

U.S. Policy Overseas:

Rudderless

By Joseph Kraft

WASHINGTON — President Carter's Annapolis speech may not have ended the fight for influence between Secretary of State Cyrus Vance and the White House aide, Zbigniew Brzezinski. But it settled one point decisively.

It proved that the president himself is a tyro in foreign policy, only unpracticed in diplomacy without even a good working knowledge of recent history. I deem his personal inexperience the main reason why the tilt back and forth between advisors has generated serious misgivings: a capital that normally takes time near the top for granted.

Perhaps the best example of the president's lack of grasp came from a list of conflicts cited in a speech to sustain a basic thesis: The thesis — which seems right to me — was that "to the Soviet Union détente seems to mean a continual aggressive struggle for political advantage and increased influence."

Proxy Forces

The president then went on to say that "the Soviets prefer to use proxy forces to achieve their purpose." As examples of that he cited — and I am reliably informed that he personally wrote words — what happened in Korea, in Angola, and also, as I know, in Ethiopia.

But Korea is not generally regarded as an example of a proxy war. All the leading experts in the State Department including Mr. Carter's own appointees, concur: the judgment that the war was started and largely maintained by the motion of the North Korean strongman, Kim Il Sung.

Moreover, to put Korea, a major conflict which nearly touched off third world war, on the same plane as Angola, denotes, in itself, a staggering lack of historical understanding. The more so as the I skip right over the Vietnam conflict, fueled by the Russians in some part anyway, which had devastating impact on this country.

Angola, I think, does fit the mold of Soviet use of Cuban forces to obtain during a period of détente an invaluable advantage: not in slightest justified by concerns of self-interest. It is a pure case of setting advantage for the sake of advantage. But Ethiopia?

In that case, the United States and indeed Carter personally played the jackal, and the Russia reacted defensively. The attack force in Ethiopia was a Somali force bent on nipping off Ogad province. The Russians, I equipped the Somalis during 1960s in return for a naval base Berbera, and perhaps nurse Somali ambition to seize the Ogaden from the Ethiopia of Ha Selassie. But when the emperor was replaced by a socialist militia regime, the Russians drew closer Addis Ababa, and tried to promote an understanding between Somalia and Ethiopia.

The Somalis refused, and began courting new patrons for a shot at the Ogaden. Mr. Carter was one of their fans. Last year, on April 1, he told a magazine overseas he was telling Vance and Brzezinski to do "everything possible to get Somalia to be our friend."

The Somali offensive which followed in July threatened not only the Ogaden but the ouster of the pro-Soviet leadership under Mengistu. So the Russians as themselves losing at one stroke their stake in both Somalia and Ethiopia. Only under that duress at close to the last moment, did they intervene through the agency of the Cubans. It was not exacting an aggressive move.

However, the pitiful U.S. performance, winking on apparent commitments to Somalia, did create a danger of Soviet misadventure. Steps have to be taken head off that danger, and I am of those who has pushed hard for the president to assert a strong policy.

Off Balance

But he does not put together a strong policy by balancing off one high official against another, nor does he, by that tactic, communicate the policy to the Russian with clarity.

The intimate involvement in day-to-day foreign policy by a president with so little experience and grasp is dangerous. So the sensible folk for Mr. Carter would be to look for two previous presidents out over the years in foreign policy — Truman and Eisenhower — who placed prime reliance on the secretary of state. The more so as Mr. Brzezinski has managed to make himself red flag to Moscow, and has — I sides the Carter connection — or the frailest ties to the rest of U.S. government.

Communists Vote Loss

ROME, June 13 (UPI) — Italy's powerful Communist Party today announced the results of the recent national elections, which provided the first test of its popularity since its 1948 defeat.

Both the Communists and the Christian Democratic Party emerged victorious in the two-day election, which provided the first test of the party's popularity since its 1948 defeat.

Following the instructions of the majority parties, 76.7 percent of eligible voters voted against a proposal that would have curbed the powers of preventive arrest and detention. But only 56.3 percent voted to retain the bill that would require \$52.3 million a year for financing political parties.

While the Communists publicly congratulated themselves on the victory, they were said to be disappointed by the 23.3 percent that voted against the police power law.

Political observers believe that the vote would have been even higher if it were not for a public clash caused by the March 16 kidnapping of former Premier Aldo Moro, who was later murdered.

They also expected that 12.3 percent of those voting against the measure were Communists dissatisfied with their party's policy of compromise with the government.

The only losers are the leaders of the Communist Party who sold their ideals and abandoned their past battles. Radical leader Francesco Spadaccia said, referring to the Communists' vote against the police powers law in 1948, "I am a Communist."

He said that votes in favor of the law were highest in zones where the party is strongest. But pollsters said that one of the highest votes against the law came from militant Communist industrial workers in the north.

Canada Charges Paper Revealed Double Agent

TORONTO, June 13 (UPI) — In a case first ever brought against a newspaper under Canada's Official Information Act, the government has charged that articles printed in the Toronto Star revealed the identity of a Canadian double agent to Soviet intelligence.

The hearing into the charges, in which the Star's editor Peter Worthington and publisher Douglas Creighton could be sentenced to 14 years in prison if convicted, began yesterday.

Michael Spooer, chief executive officer of the Royal Canadian Mounted Police's security service, said in court that parts of a secret MP document outlined in Mr. Worthington's March 7 article "The Russians that a Canadian they had recruited as a spy was a double agent."

2 Haitians Rescued Off Coast of Florida

WEST PALM BEACH, Fla., June 13 (UPI) — Fishermen yesterday rescued 12 Haitians from a "junk" boat — just hours after a ship of 46 had been dropped off on shore — and were taken to a Boynton Beach marina for processing by immigration authorities.

Under new U.S. guidelines, Haitians arriving in the United States must be given work permits until appeals determine whether they are political or economic refugees.

Movies in Paris

Hitler's Career in Seven Long Hours

By Thomas Quinn Curtiss

PARIS, June 13 (IHT) — Hans Jürgen Syberberg's "Hitler, A Film of Germany," lasts in its entirety for seven hours. Due to its unwieldy shape, it is being shown in four separate sections at the Studio des Ursulines. It was financed at a million deutsche marks by the BBC, the French Institut National de l'Audiovisuel and two German companies and the result is less a motion picture than it is a misguided television serial.

The program informs us that it is not "porno," nor a documentary, nor a diversion, nor a horror movie, nor a social critique, but a voyage into the heart of the night, an infernal voyage to a lost paradise, into our most profound "I." This highfalutin statement is no explanation; it is just a dodge. What has been delivered is a grotesque, interminable nonsense. Was its expensive trip really necessary?

Hitler's career has been illustrated by never-ending footage of nature. Lingered on it with roving camera for seven hours is excessive and not a little unhealthy. It is also disputable that the seeds of Hitler lurk in everyone — as is vaguely implied. Very few of us are successful, rejected painters serving in the ranks of the German Army during World War I, nor did many of us take to knowable rabble-rousing in the period that followed.

While it is true that Hitler parroted the ideas of others, insanely distorting them, as a personality he was a unique monstrosity and the attempt to generalize about him meets defeat. He is a case for psychiatrists rather than for movie directors, and Syberberg's quasiparallel is murky in its manner, stylization and roundabout approach, with Hitler and his Nazi henchmen as cardboard cutouts and band puppets with off-screen voices babbling their notorious imbecilities.

Thomas Mann once commented that it would be flattery to refer to the Nazi regime as "devilish," but Syberberg has sought to stress its satanic will-to-evil.

The treatment is peculiar and not always intelligible, straying in its search for references from its announced purpose. Von Stroheim's differences with his Hollywood producers are introduced and the butchering of his work by Louis B. Mayer and Thalberg is depicted. The Soviet studio overloads are charged with the botching of Eisenstein's "Ivan the Terrible." Actually, it was Stalin who advised — at a midnight conference in the Kremlin — on the course of that movie biography. And it was Stalin's disapproval of the film's second part that led to its banning and prevented the shooting of the projected third installment.

One is in accord with Syberberg's protest against artistic vandalism, but instancing the violent anti-intellectual campaign of the Nazis would have been more to the point. This oversized, overloaded phantasmagoria drifts listlessly on dark, turgid waters, its sails drooping, its rudder apparently lost.

In making her film, "Promenade au Pays de la Vieillesse" (A Walk in the Country of Old Age, at the 14-July Pantheon and the 14-July Basilique), Marianne Ahne, an enterprising Swedish director, has presented an act of courage, as Simone de Beauvoir compliments her.

Old age is a subject that is avoided, being a chilling reminder of human destiny, and discussions of it are held to be in bad taste. Only in the Orient does the senior generation receive respect. Elsewhere, growing old is regarded as rather ridiculous and shameful and it is deemed wise for everyone to lie about their age like ham actors.

The Ahne film is a thoughtful, well-made documentary. With inquiring camera and microphone, it journeys into the world of men and women who can no longer be exploited and have been relegated to the junk heap by society. Simone de Beauvoir, who has written a study of the aged and their problems, has collaborated on the script and appears to give her views. The inmates of the old-age homes and their doctors and nurses are interviewed and the grim evidence collected is of high sociological value.

The approach has nothing of the mawkish sentimentality of "Over the Hill to the Poor House"; it is intelligent, informative and humane. It is not only a worthy, high-minded work but one that is impossible to look long into Marty Feldman's bulging eyes. Harold Lloyd, Buster Keaton and Charlie Chaplin were funny men who wore funny clothes and performed funny antics, but they did not resemble sideshow freaks.

MacK Seneett did, of course, have his squad of grotesques: Fairy Arbuckle and the equally obese Hughie Mack; the walrus-moustached Chester Conklin and the wispily impersonated small-town mayors or the victim of fraudulent oil-stock salesmen. And there was the cross-eyed Ben Turpin. But one was not tempted to avert one's gaze.

The "comedy" in question was manufactured in England three years ago before Marty Feldman



A scene from "Hitler, A Film of Germany."

attained status as a Hollywood star-director. It concerns an idea-man of a television advertising firm whose function is to popularize a brand of porridge. The innocent nursery sell failing, he seeks to promote the product by means of sex lure while his wife is serving on a censorship committee and is in danger of being seduced by a hypocritical clergyman. To augment the reinforcement of the proceedings, there is a theme song: "Think Dirty." Shelley Berman was im-

ported to enact a brash American Babbitt, and he and Feldman appear to be intent on topping one another in being depressingly unfunny.

With the arrival of this export of the London studios comes the news that the British censor has banned Louis Malle's film, "Pretty Baby" (already proscribed in sections of Canada). According to Malle's report, the censor fears that "Pretty Baby" incites to the molesting of minors.

Appetite for Postcards Grows in U.S., Europe

By Rita Reif

NEW YORK (NYT) — They came from France, Belgium, Britain, Canada and throughout the United States. And they were having a wonderful time — or so it seemed. Indeed, virtually all the postcard collectors and dealers interviewed at the First International Postcard Bourse held at a New York hotel were enthusiastically doing their thing — deftly fingering through thousands of cards in shoeboxes and albums in find the ones that would enhance their collections.

And some of them did succeed. According to Leah Schnall, the show's producer, many of the 1,500 who attended the three-day event left smiling and with stacks of cards. One dealer who flew in from Paris raked up \$12,000 in sales. "That's a lot of postcards," commented a collector. "After all, most sell for well under \$100 each."

The appetite for picture postcards has increased at a phenomenal rate in recent years, reported Andreas Brown, owner of the Gotham Book Mart and Gallery, where he is now showing (through June 30) part of his own formidable collection. Mr. Brown said he became "hooked" at the beginning of the postcard-collecting boom four years ago and, ever since, has not been able to stop shopping for the miniature images that strike his fancy. He now owns more than 20,000 and as the exhibition shows, the collection, although wide-ranging, is strongest in surrealism and fantasy.

The interest in postcards may even be more impressive in Europe, judging by the recent proliferation of galleries and shops in Paris and London. Jacques Fivel, a French

dealer, said that the number of shops in Paris that specialize in period picture postcards has skyrocketed in five years from a few to 35. And last month a world record at auction was established in Paris when a postcard of Toulouse-Lautrec's "La Goulue" sold for the equivalent of \$841.

The British are postcard buffs, too, according to John Bowen, a private dealer from London. There, he said, the collecting had begun five years ago and now supports 25 dealers, 10 of whom have shops. To date, New York has none. But collectors number in the hundreds in this area — and in the thousands nationally.

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1978-1979



New staging of Janacek's rarely performed "Osud" was offered by Ceske Budejovice theater.

A Survey of Janacek at Prague Festival

By David Stevens

PRAGUE, June 13 (IHT) — The commemoration of the death half a century ago of Leo Janacek was the keynote of this year's Prague Spring Festival, with a wide-ranging survey of his music that included two operas that are real rarities, even in his native Czechoslovakia.

"Sarka," the first, and "Osud," the fourth of Janacek's nine operas, have never achieved anything close to repertory status, or are they likely to. Yet they have their place in a commemorative year, helping to trace the development of this highly original musical dramatist, and — in worthy productions by Czech provincial companies — they proved to be rewarding works on their own.

"Sarka" was written in 1887 when the composer was 34, and repeatedly revised until it finally was staged in Janacek's home opera house in Brno. It has Janacek drawing for the only time on Czech mythology for his libretto, and it reveals him as very much the inheritor of Smetana's harmonic language and rhapsodic lyricism, yet this is colored by ample hints of the more compact and hard-edged musical speech to come.

The work's three scenes last little more than an hour and it has only four solo parts, the title one being that of a kind of warrior-priestess who is one of the central figures in the myths of Czech prehistory. In the production from Ostrava, this was sung by Eva Kinská with the right blend of femininity and heroics. The staging by Ila Hylas, workmanlike rather than poetic, was sped along by the unit revolving set of Otakar Schindler.

Undramatic Libretto
"Osud" (the word means "fate") is a stranger case. Written from 1903 to 1906, it comes immediately after "Jenufa" — Janacek's first opera in his mature and distinctive style, and still his most popular — and after the death of his beloved

MUSIC

daughter. It is lumbered by a libretto, largely Janacek's own work, that is full of the undramatic messiness of real life rather than the orderliness of good drama. While few of Janacek's texts would satisfy an orthodox dramatist, this one kept "Osud" off the stage in the composer's lifetime.

It did not reach the stage until 1958, in almost simultaneous productions in Brno, in a restructured version, and in Stuttgart, in the original version also followed in this new staging by the theater in Ceske Budejovice.

The story draws heavily on real events and characters known to the composer. At a Czech spa, a composer renews a liaison with a young bourgeois woman. Act Two shows the composer having trouble with an opera he is composing as well as with married life, but the act ends with the woman's bizarre accidental death, leaving the composer with his autobiographical opera that — years later — he still cannot decide how to end.

Clarion Tenor

Even if the music never quite gets this load of improbabilities off the ground, it is consistently interesting and bears all the earmarks of Janacek's fully developed musical speech. The opening act is a kind of conversation piece with a dancelike substructure that captures the picture of a turn-of-the-century spa, while the third act evokes the murky, music-conservatory atmosphere before ending in the long, delicious lyrical flight by the dying composer as he wavers between fantasy and fact.

The role of the composer was sung by Joseph Hajos in a clarion tenor that suggested he may be one of the rare Czech singers to achieve more than a local career. He also bore an apparently unintentional

Obituaries

Kuo Mo-jo, 86, Novelist, Poet, a Friend of Mao

TOKYO, June 13 (AP) — Kuo Mo-jo, 86, China's leading cultural figure and a friend of the late Mao Tse-tung, died yesterday, Japanese newspapers reported today.

The poet, novelist, translator, essayist, dramatist and propagandist was president of the Academy of Sciences, chairman of the China Federation of Literary and Art Workers, and China's chief spokesman during the peace movement of the 1940s and 1950s.

There was no official confirmation from Peking, which generally waits several days before disclosing the death of one of its leaders.

News of his death brought expressions of regret from Japan's Premier Takeo Fukuda and leaders of other political parties. Honorary president of the China-Japan Friendship Association, Mr. Kuo spent 20 years in Japan, where he met and married Tomiko Sato, a nurse, and turned out some of his best literary work.

Deep Influence

He wrote novels, plays, essays and autobiographies and translated works by Marx and Upton Sinclair.

Maintaining touch with leftist intellectuals in Shanghai, he launched in 1930 the League of Left-Wing Writers, which deeply influenced the Chinese literary scene.

Born in Seichuan province in 1891, he was originally named Kuo Kai-chen, the fifth child of a merchant landowner family.

At 15 he began the study of English and Japanese — two of his brothers already were students in Japan — and contracted a disease that left him with a bad back and impaired hearing. Something of a playboy in his early years, he became interested in revolution through his association in Japan with other Chinese youths.

His prolific writing career began in 1917 with the translation of the poems of Rabindranath Tagore, the Indian poet. In that year he changed his name to Mo-jo.

When he made his final return to China in 1937, he left his Japanese wife behind. The last five years of the Sino-Japanese war, which he spent in Chungking, touched off another burst of creativity as he produced several dramas, historical and archeological works.

Throughout these years he was what the Communists called a "democratic personage," a member of no political party. When the People's Republic was proclaimed in 1949, he was one of those the Communists chose to symbolize cooperation with non-Communists.

He became one of four vice premiers and was put in charge of the Culture, Education and Public Health Ministries. At the same time, he became president of the Academy of Sciences and chairman of the China Peace Committee. He was awarded the Stalin peace prize in 1951.

He was elected on several occasions to the National People's Congress and was a vice chairman of its standing committee.

As one biographer put it, "he may well be, in short, the closest thing to a Renaissance man that China has produced in this century."

At the start of the 1966-69 Cultural Revolution, he offered to burn all his works on the ground that they were flawed from a Marxist viewpoint. Mao, whom he had known as a friend for years, refused to accept the offer.

Harold Wright

NEW YORK, June 13 (AP) — The Rt. Rev. Harold Wright, 48, the first black bishop in the Episcopal Diocese of New York, died Sunday, apparently of a heart attack.

Johnny Bond

BURBANK, Calif., June 13 (UPI) — Country entertainer Johnny Bond, 63, whose early hits "Divorce Me C.O.D.," "Smoke! Smoke! Smoke!" and "Tennessee Saturday Night" became country-western standards, died yesterday.

Austin T. Cushman

CHICAGO, June 13 (UPI) — Austin T. (Doc) Cushman, 76, former chairman and chief executive officer of Sears, Roebuck & Co., died yesterday in Pasadena, Calif.

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PARIS, WEDNESDAY, JUNE 14, 1978

TAIWAN—1978

A Second Chiang Establishes His Reputation

By Donald H. Shapiro

TAIPEI (HTT) — The pageantry surrounding last month's inauguration of President Chiang Ching-kuo was intended to provide a lift in national morale. But the U.S. government's dispatching of Zbigniew Brzezinski to Peking on the same day detracted from the exuberance of the celebration.

It was yet another example of the shadow that has hovered over Taiwan since the United States pledged in the Shanghai Communiqué of 1972 to "normalize" its relationship with China. That step would presumably necessitate a break in U.S. diplomatic and defense treaty ties with Taiwan, as demanded by Peking.

Whatever their private fears, Taiwan officials publicly express unreserved confidence that such a break will never come. "I am an optimist," declared Vice Foreign Minister H. K. Yang. "It seems to me that the pendulum of American public opinion is swinging back from euphoria about mainland China to more sympathy for our position here."

Taiwanese officials argue that the United States, because of domestic political factors, could recognize Peking only if it can ensure that Taiwan's security will not be impaired. But they believe that no formula for accomplishing that feat can ever be found. Once "normalization" occurs, they note, the United States could not give Taiwan any real support without opening itself to charges from Peking of meddling in Chinese internal affairs.

Struggle

The Taiwanese dismiss the "Japanese formula" — continued economic relations without formal diplomatic connections — as irrelevant to the United States since the Japanese had no role in Taiwan's military security.

Officials vow that Taiwan will adhere to its anti-Communist principles and struggle on, alone if necessary. "We are not Vietnam," says a senior ambassador. "We will not collapse. We will not run away."



President Chiang Ching-kuo on one of his regular weekend trips to meet the people.

There appear to be few persons in Taiwan, even fervent ones, who seek reconciliation with China. Negotiation is equated with surrender, and the Communist arch-enemy would not be trusted to live up to any bargains struck.

Neither are the Soviets considered reliable. The idea of allying with Moscow, should the United

States forsake Taiwan, is sometimes thrown out in casual conversation but is not taken very seriously.

Taiwan is also unlikely to take up its other main theoretical option — redefining itself as a government of Taiwan rather than China in hopes of eliciting more international support. Such a separatist move might only provoke Peking into greater militancy. It would also remove the rationale for the existing

political structure, in which the "mainlanders" who retreated here in 1949 still play a dominant role.

So far Taiwan has not really felt isolated from the world, even though it exchanges ambassadors with only 23 countries, of whom only the United States and Saudi Arabia could be called major forces in world politics.

Travelers from Taiwan may have to wait longer for visas but can still

gain entry to almost all non-Communist countries. Foreign trade continues without serious obstacle, and low-profile, sub-diplomatic offices, such as the "East Asian Relations Association" in Tokyo, exist in many capitals.

Taiwan has even carried on with its technical assistance program abroad. Specialists in rice cultivation, handicraft production and other fields are helping in train local counterparts in 18 countries, in-

cluding two that have recognized Peking.

Domestically, Chiang Ching-kuo has won wide popularity as a national leader. In contrast to his father, the charismatic but rather austere Chiang Kai-shek, the younger Chiang has established a reputation as a man of the people. His political trademark is his weekend shirt-sleeved trips to the countryside to shake hands and chat with farmers and fishermen and learn about local problems.

Since becoming premier in 1972, shortly after Taiwan's expulsion from the United Nations, Chiang Ching-kuo has been engaging in a delicate balancing act — trying to appease restive intellectuals by gradually liberalizing the political system but without going so far as to threaten the continued bold power of the ruling Nationalist Party (Kuomintang).

Martial law has been in force since 1949 but serves chiefly to give the government reserve emergency powers. The main practical effect is to permit military courts to try civilians in cases involving sedition or violation of public order.

The general atmosphere in Taiwan is not that of a police state, and many critics of the government concede that there has been much progress over the past two decades in creating a more open political process.

Sharp Gains

Last November, for example, young independents challenging Kuomintang candidates for local and provincial posts achieved sharp gains in what was considered the fairest election ever held here.

The 21 independents (up from eight in the previous session) in the 77-member provincial assembly now constitute a political party in all but name. They caucus together and have hired several graduate students to serve as a common staff.

But the independents are not yet ready to risk provoking the government by organizing a formal opposition party. They are acutely conscious of the history of the last such attempt, in 1960, when the incipient China Democratic Party was squashed when its chairman was jailed.

"Neither the independents nor the authorities want to see Taiwan become unstable," said Kang Ning-hsiang, a national legislator who is one of the opposition leaders. "Since only the Communists would gain from that, both sides wish to avoid a sharp confrontation."

"Our aim is to prod the government into promoting more democratic reforms, such as broader elections and less press censorship," Mr. Kang said. "And we hope the government will grow self-confident enough to accept us as a loyal opposition."

—D.H.S.

Economy

Government Policies Aim for Price Stability

TAIPEI (HTT) — The watchword of Taiwan's government leaders on economic policy is "growth with stability." More conservative on fiscal and monetary matters than their counterparts in most other developing countries, they pay at least as much attention to checking inflation as to stimulating economic growth.

Annually the government runs a budget surplus, and interest rates, set by the central bank, are kept relatively high (although they have been lowered substantially since 1974 to relieve a serious credit squeeze on business).

Throughout the recession the government resisted pressure from industry for Taiwan to follow South Korea's example in promoting exports through a currency devaluation. The authorities focused instead on the possible consequences in driving up price levels.

The concern for price stability no doubt stems in part from memories of the hyperinflation of the 1940s that contributed to the weakening of Nationalist control of the mainland.

Wholesale Prices

It also reflects the low unemployment rate, currently about 2.6 percent, which obviates the need to heat up the economy to create more jobs. Taiwan's efforts regarding manpower, in fact, are aimed at preventing other shortages in the labor force, for example by promoting semi-automation.

For the past two years the rise in wholesale prices was held to only 2.8 percent annually, and the goal for 1978 is to keep the figure below 5.4 percent.

Economic growth rates, while no longer in the 10-13 percent range that Taiwan grew accustomed to before the oil crisis, are still impressive. Last year's real growth in GNP came to 8.1 percent, slightly lower than expected due to the effects of two crippling typhoons. This year's initial target of 8.8 percent may have to be raised because of the strong export performance in the first quarter.

Wages

The GNP reached \$19.5 billion at current prices in 1977, and per-capita income passed the \$1,000 mark by \$80.

Wages have risen steeply during the past few years — the average factory wage of \$145 a month is more than double what it was in 1973 — but lately have been leveling off.

With improved living standards, such appliances as washing machines and air conditioners are now being added to the television sets, refrigerators and electric rice cookers that have long been common in Taiwanese households.

The island's two auto manufacturers plan expansions to meet the 15-percent annual increase in demand as more and more consumers decide to move up from motorcycles.

Taiwan has accumulated substantial foreign exchange reserves of \$5 billion, equivalent to more than five months' imports, which it has begun to use to finance purchases of crude oil and other major commodities from abroad.

With its moderate inflation, low debt service ratio and prudent economic management, Taiwan has become a preferred borrower in the eyes of many foreign bankers. Terms are generally more favorable than those offered to other developing nations.

U.S. Banks

U.S. banks are the most active, and account for 8 of the 12 foreign banks with branches in Taipei. Taiwan is also a steady customer of the U.S. Export-Import Bank, which has loans and guarantees here in excess of \$1.5 billion.

European merchant banks have gradually been showing more interest in Taiwan and in the past several years have extended some large loans to state enterprises and big private corporations.

Taiwan had little difficulty raising from both internal and external

sources the nearly \$7 billion required for an enormous infrastructure development program launched in 1972 and due to be completed next year.

Dubbed "the Ten Big Projects," the program was designed to remove transportation bottlenecks hampering the economy as well as establish basic heavy industries and introduce nuclear power plants to diversify energy sources.

Steel Mill

The transportation projects include two new harbors, a superhighway running the length of the island, a rail connection to the isolated east coast, electrification of the main trunk railway, and a new international airport for Taipei.

The industrial projects, all of them already in operation, involve Taiwan's first integrated steel mill, a petrochemical complex, and a shipyard boasting the world's second longest drydock.

The first nuclear power plant began commercial generation last month. By the mid-1980s there will be six plants with enough generating capacity to meet more than half the island's requirement.

—D.H.S.

New Premier Discusses the Prospects for Economic Growth

TAIPEI (HTT) — "Last year we were concerned about investment. This year it's inflation," said Y. S. Sun, who last month was appointed premier after serving as minister of economics, in an interview with Donald H. Shapiro for the Herald Tribune. Mr. Sun went on to discuss the steps being taken to check inflation as well as Taiwan's prospects for economic growth. He also dealt with the moves the state is making to encourage industrial development, especially in technology-intensive areas, and the need for greater participation from the private sector.

Mr. Shapiro — From the statistics I've seen, the economy seems to be doing quite well so far this year.

Mr. Sun — Yes, in the first four months the performance was better than what we expected, both in industrial production and in exports.

Q — What factors seem to be responsible for that faster growth?

A — Perhaps one of the more important factors is the yen appreciation. Because of it our products are in a better competitive position in Southeast Asia — as well as in my own country — against Japanese products. Among the industries particularly showing better performance are the textile and synthetic-fiber industries. We were expecting slow recovery there, but in the past few months the value of sales as well as the unit price have been increasing quickly. Evidently a lot of countries are now buying more textile products.

Q — How do the other economic indicators, such as investment rate, look at present?

A — The inflow of foreign and overseas Chinese investment is much higher than in the same period last year — nearly 200 percent higher.

For domestic investment, the situation is also very dynamic. The stock market is very active, and also the sale of land in the various industrial estates is very strong. For the past two or three years no one wanted to buy land for building new factories, but this year it's very active. So all the indications are that our economy is strongly on the move. The first part of this year has been very encouraging.

But this makes us more cautious about inflation. When the economy is a whole becomes very active, then we have to watch price levels more carefully.

Q — What specific steps are you taking to check inflation?

A — We are trying to purchase more basic industrial raw materials and imported foodstuffs, mainly feed grains, to be sure of obtaining them at a good price. That way if there is any change in the world economic situation it would not affect the domestic price and supply of these essential commodities.

We must also ensure that the money supply does not increase too rapidly, which would cause inflationary pressure.

Q — Are there any other problems in the economy or areas that need attention?

A — Well, inflation is our major concern at this moment. Last year we were concerned about investment. This year it's inflation.

But our basic policy, to move toward more technology-intensive industries, to introduce more labor-

ter is not the hottest of wars, it is still of great symbolic import to both sides.

Quemoy, just a few miles from the port of Amoy, and Matsu, opposite Fochow harbor some 100 miles to the north, are historically and geographically part of China's Fukien province. That Nationalist toehold in a mainland province discourages thoughts of Taiwan separatism and helps to keep the civil war alive, at least in rhetoric.

The Nationalist government still speaks constantly of "recovering

the mainland" from the "Communist bandits" while Peking talks of "completing the revolution" by "liberating Taiwan."

For the present, however, neither side possesses the military might to achieve its goal. Despite the militant sloganizing, Taiwan's forces remain totally on a defensive footing.

China, though rapidly building up its navy, still lacks the amphibious capability needed for a successful attack across the 100-mile Taiwan Strait. Its air force, despite

a vast numerical advantage, is considered by U.S. experts to be inferior to the Nationalists' in terms of quality of aircraft and pilot training.

The Communists would have to pay a tremendous price if they tried to invade," maintains a senior U.S. officer here. "But eventually, by sheer attrition, they could wear the United States down to help under the mutual defense treaty."

The U.S. military presence in Taiwan is down to 1,100 men, none

of them combat troops; from a peak of 10,000 during the Vietnam War. Military aid from the United States was phased out several years ago, and loans to finance Taiwan's purchases of military equipment — \$35 million's worth in the fiscal year now ending — are being steadily reduced.

A coproduction program with Northrop Corp., however, is helping to strengthen the Nationalist air force by turning out more than 200 F-5E jet fighters in Taiwan.

—D.H.S.

Whatever Happened to Quemoy and Matsu?

TAIPEI (HTT) — The artillery rounds that fly back and forth between the heavily fortified Nationalist-held offshore islands of Quemoy and Matsu and the China mainland are fired only on odd-numbered days, with time off for holidays. And the shells are filled not with explosives but with propaganda leaflets (although a direct hit can still be lethal — four deaths occurred last year).

But if the confrontation between the Communists and the Nationalists at their closest point of encounter is not the hottest of wars, it is still of great symbolic import to both sides.

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—D.H.S.

Sometimes

determination

can work

miracles.

— Y. S. Sun



saving devices to our existing industries to improve their productivity, is still the main focus of our attention and will be for some years to come.

Q — What are the major steps being taken in that direction?

A — First, the government is trying to assist the private sector to transfer new technology and know-how from the outside. We provided more incentives in our revised Statute for Encouragement of Investment for R and D activities. For

instance, industry can now charge all R and D costs to operating expenses, and we lifted import duties on R and D equipment.

The central bank is providing loans to industries for the purpose of buying know-how from outside. We also are making available venture capital to assist investors to establish a plant here, especially overseas Chinese scholars and engineers who want to bring their know-how.

Another area where we should perhaps put more effort is manage-

ment training for middle management and training of more skilled workers. There will be an increasing need for such people as we move toward more sophisticated industries.

Q — Much of the recent investment in heavier industry and major new projects has been by state enterprises. What do you see as their role in the economy?

A — We've always encouraged the private sector to participate

more, not only in the light industries but also in the technically intensive and even capital-intensive industries. About four years ago we tried very hard to induce private investment into the steel mill and the shipbuilding industry.

But unfortunately during this period the private industrialists were not much interested in such a large investment with its slow return and perhaps high risk. But in petrochemicals, they did participate and are continuing to do so. Now we are planning a fourth naphtha cracker. The planned downstream units will nearly all be financed by private industry. They are all lined up already.

Q — Do you think in the future it will be less necessary for the state enterprises to play such a strong role?

A — Maybe in the future more private people will realize that these heavier industries, even purely from a profit-making point of view, are a good investment. If they get more interested, the government would turn over some of the shares to private hands and eventually even convert some companies to private enterprises. That is our policy. The government does not want to continuously own and operate many industries if it is not necessary.

Q — In the area of foreign trade, one of Taiwan's big concerns has been the protectionist trend. Do you feel that this is waning now?

A — We do not see any significant change as yet. The trend is still for domestic industries in the advanced countries to demand more

protection. Of course, the outcome will depend to a large degree on the policy of the United States. So far, Mr. Carter has been standing firm against more protectionism and that is very encouraging to all the developing countries. And what the United States does will affect the thinking in European countries.

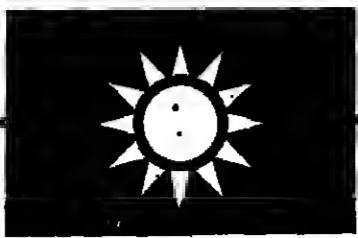
Still we must prepare ourselves against unfavorable developments. That's one reason why we must move toward more sophisticated products, producing more capital goods such as machine tools and machinery, so that our main export items will be less subject to protectionist measures.

Q — Taiwan has also been working on upgrading the value and quality of existing products.

A — We cannot compete with the new developing countries with plentiful labor in primary industrial products such as textiles and plywood. Other countries can make these things, and the newcomers usually have lower labor wages. They are where we were 15 years ago. We must face this situation. We must move up, upgrade in a continuous push.

Q — In general, despite the diplomatic setbacks of recent years, the economy has continued to prosper, to the surprise of many people in other countries. How do you account for this?

A — The political situation does cause difficulties, but you must not get discouraged because of this and do less. On the contrary, we've been working harder so as to overcome these hardships. It's a spirit of survival. Sometimes determination can work miracles.



State Enhancing Climate for Foreign, Domestic Investment

TAIPEI (IHT) — For the past year, the government here has been working to improve the investment climate for local and foreign companies in order to attract industries in the more technology and capital-intensive sectors — industries needed for Taiwan's next stage of development.

Last summer the legislature enacted a revised Statute for Encouragement of Investment to provide increased incentives for advanced industries. The major change was the adoption of a grace period extending the previous five-year tax holiday to nine years for large projects with relatively slow return on investment.

The Cabinet also ordered a streamlining of procedures by agencies responsible for screening investment applications, registering purchases of industrial land, licens-

ing factories and other matters affecting investors. The agencies' progress in reducing red tape is being closely monitored.

For domestic investors, the government has been taking steps to make development capital more easily available. It has expanded its industrial development fund and this summer is converting the state-run Bank of Communications into a development bank to specialize in medium and long-term lending.

For several years after the world recession struck, new investment from both domestic and external sources was sluggish due to market uncertainties and financial constraints. But the rate of investment began to pick up sharply toward the end of 1977.

A strong last quarter brought foreign (including overseas Chinese) investment approvals last

year to \$164 million, an amount exceeded only in 1973 and 1974. The influx has continued in the first part of this year.

Total foreign investments to date amount to \$1.7 billion, with U.S. companies accounting for nearly a third, overseas Chinese for a similar amount, and Japanese for about one-sixth.

Government officials note that domestic businessmen put up some 95 percent of all investment in the economy. "We rely on foreign investors less for the capital than for the technical know-how and managerial expertise they introduce," explained K. T. Li, minister without portfolio.

Another large investor is the Ford Motor Co., whose joint venture produces European-designed sedans for the domestic market and engines for export. For an expansion project that should more than double output, Ford will add nearly \$40 million to its current \$36 million investment by 1981.

Enthusiasm

Most foreign investors express enthusiasm about the business climate, citing in particular the hard-working, well-educated labor force.

They also appreciate the accessibility of top officials. "This is one of the few countries in the world where an American businessman

can have a sympathetic hearing at the Cabinet level of government when the problem involved warrants that kind of attention," Everett A. Carter, chairman of Oak Industries Inc., told a conference of U.S. businessmen in Taipei in April.

The chief criticism tends to be the slow working of the bureaucracy at the lower levels. The government's Industrial Development and Investment Center assists foreign companies before, during and after the investment application process.

"Our first task is to determine whether the project is really feasible," notes IDC director Lawrence Lu. "If the outlook for success is poor, we will tell the prospective investor. We don't want any failures marring our reputation."

Foreign businessmen here have been concerned about the U.S. policy of seeking "normalization" ties with Peking. The American Chamber of Commerce has sent repeated messages to the White House and to influential congressmen warning that preserving U.S. economic in-

terests in Taiwan depends on maintaining the security umbrella of the mutual defense treaty.

But such concern apparently has not caused a curtailment of investment. "If you look around the developing world, you will find high question marks of one kind or another hanging over most countries," said a U.S. general manager. "If you get overcautious because of vague future possibilities, you'll lose out on present opportunities."

—D.H.S.

Emphasis Is on Foreign Trade, the Island's Lifeline

Another of Taiwan's trade goals is to alter

its reputation from supplier of bargain basement goods to producer of quality merchandise, just as the connotation of 'Made in Japan' was transformed several decades ago.

\$1.5 billion. Efforts to reduce the imbalance have included restricting purchases of some 1,000 import items to U.S. or European sources.

Taiwan is conducting an even more aggressive campaign to cut its embarrassing large surplus with the United States (\$1.65 billion in 1977). It has helped subsidize exhibitions of U.S. products in Taiwan and this year is dispatching a series of buying missions to the United States. The purpose of the buying missions will be to negotiate contracts, the usual international tender requirements having been waived, for some \$1 billion worth of goods for state enterprises.

'Big Market'

"We hope more international businessmen will come to realize that Taiwan constitutes quite a big market," noted Mr. Shao. "In the past only the Japanese were very active in selling here, and our purchases from the United States and

Europe came mainly from our taking the initiative.

"We have no restrictions on imports from these countries," he said. "In fact we welcome them. We are adhering very firmly to free trade principles, despite pressures from some of our domestic industries, because we believe trade should be a two-way street."

Another of Taiwan's trade goals is to alter its reputation from supplier of bargain basement goods to producer of quality merchandise, just as the connotation of 'Made in Japan' was transformed several decades ago.

As wages and living standards have risen, Taiwan has lost competitiveness with less advanced countries in turning out low-end products. Taiwan manufacturers have realized for some time that they must "trade up" to more technically sophisticated, better quality products that can command higher prices.

While this process would un-

doubtedly occur naturally, the government has taken steps to hurry it along. Hundreds of key product categories have been placed under a "qualified factory system" supervised by the Bureau of Commodity Inspection and Quarantine. Only manufacturers that pass inspection — not merely for their finished products but also for the adequacy of their quality control procedures and production and testing equipment — are permitted to continue exporting. The bureau works with the others to try to bring them up to standard.

"This system has inevitably caused many difficulties during the transition stage," said Mr. Shao. "But we are willing to make short-term sacrifices to build up our quality. Already we have had some very positive reactions from overseas buyers."

Another new program is to promote the development of large trading companies, with minimum capital of \$5 million and the ability to open overseas branches. Taiwan now has some 8,000 registered trading companies, but most of them are small-scale, unable to compete effectively with the giants of Japan or even South Korea.

Special Privileges

The first big trading firms, each specializing in different markets or products, are expected to be licensed this summer. They will be accorded special privileges, such as the right to operate bonded warehouses and to extend credit to manufacturers for raw material imports.

People in Taiwan often refer to foreign trade as the island's lifeline. With a relatively small domestic population, Taiwan must rely on sales abroad as the engine to drive the economy. Exports last year accounted for 47 percent of gross national product, one of the highest ratios in the world. Poor in natural resources, Taiwan must also import nearly all the energy supplies and raw materials needed by its industries.

Taiwan, with \$17 billion in imports and exports, last year ranked 23rd among the world's trading nations, even though with 17 million people it is only in 37th place by population.

Major imports are crude oil, machinery, chemicals, grains and transportation equipment. The top export categories are textiles, electronics, plastics, wood products and canned foods.

Taiwan's major markets last year were the United States (\$3.6 billion), Japan (\$1.2 billion), Hong Kong (\$634 million) and West Germany (\$414 million). The chief suppliers were Japan (\$2.6 billion), the United States (\$1.97 billion), Kuwait (\$845 million) and Saudi Arabia (\$465 million).

Of the primary trading partners, only the United States still recognizes Taiwan. The lack of political contacts may mean delays for businessmen in obtaining visas and occasionally the imposition of trade restrictions by market countries, without negotiation, but so far no major obstacles to trade have developed.

—D.H.S.

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Free China moves ahead under President C. K. Chiang

WITH A GREAT FATHER, YOU HAVE TO TRY HARDER



Having a great father is often called a misfortune in disguise because one has to try extra-hard to prove his own worth. This is especially true of Mr. Chiang Ching-kuo (better known in the West as C. K. Chiang), the new President of the Republic of China.

C. K. Chiang, elder son of the legendary Generalissimo Chiang Kai-shek, has worked harder than anybody else since he entered public service in 1938, to demonstrate that he is worthy of the name of his late father. In this he has succeeded to a remarkable extent.

But C. K. Chiang is striving for a nobler aim than vindicating himself. He has been trying to restore freedom to his countrymen on the Chinese mainland besides ensuring the continued democracy and prosperity of Taiwan. That was the wish of the late President Chiang Kai-shek. Until this wish is realized the new President of the Republic of China on Taiwan will not feel satisfied with himself.

Starting from his appointment as an administrative commissioner for southern Kiangsi during the Sino-Japanese War of 1937-45, C. K. Chiang has distinguished himself in a variety of government posts ranging from military to economic administration. But it was his performance as premier in the last six years that pushed him into the ranks of the world's foremost statesmen.

port-oriented economy of the country was hard hit.

In the midst of these seemingly insurmountable difficulties, C. K. Chiang kept his cool. He quietly went on strengthening free China's international position by increasing nongovernmental relations with all countries of the free world. At the same time he initiated 10 major construction projects to broaden Taiwan's economic infrastructure and raise the level of industry. He launched an agricultural rejuvenation program designed to boost production and increase the income of farmers. He did not neglect military preparedness and the process of democratization.

Man of the people: President C. K. Chiang greets crowd of well-wishers.



One secret of C. K. Chiang's success lies in his closeness to the people. He kept in constant contact with them. Half his time was spent rubbing shoulders with farmers, workers, soldiers and young people. He visited people at their homes and places of work, ate meals with them and learned their needs and aspirations.

Premier C. K. Chiang's efforts were richly rewarded. By the time he assumed the presidency in May, free China had attained a level of economic development surpassed only by Japan in the Asian region. Per capita income in Taiwan exceeded the 1,000-dollar mark last year, four times that of mainland China, and foreign trade is expected to top 20,000 million dollars this year, well ahead of Chinese mainland that is 263 times as large and has 55 times as many people. An equally impressive feat of free China is closing of the income gap between rich and poor to about 4 to 1, one of the smallest differences in the world.

President C. K. Chiang is not going to be content with what he has already done for the free Chinese people. In his inaugural address, he said that to recover and reconstruct the country requires "the increasing of our national strength, improvement of the livelihood of our people, expansion of the functions of constitutional rule and the assurance of honest and competent government."



Grand Hotel in Taipei, with its elaborate Chinese palatial architecture, is among the top ten of the world.

TAIPEI — FROM TOWN TO CITY IN A GENERATION

Taipei, the capital of free China, is among the fastest growing cities in the world. It was a provincial town of fewer than 300,000 residents in 1945. The population now exceeds 2,100,000 not counting half a million suburbanites who earn their living in the city.

Taipei is the commercial and cultural center of Taiwan. Some 500 foreign firms — 300 American — have their main offices in the city. There are 12 foreign banks, 8 of them American. Another six foreign banks have representative offices in Taipei.

More than half of free China's higher institutes of learning are located in the Greater Taipei area. The city has two large museums. The National Palace Museum is a fabulous treasure house with a quarter million art objects spanning more than 4,000 years of Chinese history. The Sun Yat-sen Memorial Hall is the scene of concerts and other theatrical offerings. Two years hence, the Chiang Kai-shek Memorial Hall with its Peking opera house and concert hall will be completed.

Taipei is renowned for Chinese cuisine. There are hundreds of good restaurants in the city specializing in all varieties of China's regional cooking. Many are lavishly decorated. Foreign visitors often patronize the roadside stalls, which serve excellent food at bargain prices. Big hotels are concentrated in Taipei. The best known is the palatial Grand Hotel perched atop a small hill on the northern fringe of the city. Once listed by *Fortune* magazine as one of the 10 best hotels in the world, the Grand is a veritable imperial abode that has housed kings and presidents.

Taipei's biggest headache is traffic. The problem is compounded by the presence of railroad tracks in the downtown area, the large number of motorcycles and taxicabs, and inexperienced drivers. Traffic difficulties are being vigorously attacked by the city's energetic mayor, Ci Teng-hui, who believes in the Chinese axiom that any problem can be solved by intelligent determination.

Courtesy of the Taipei City Government.



Industry: Strongest Performers Seen to Be Shifting

TAIPEI (IHT) — As Taiwan's economy develops and world conditions change, some of the industries that have been among the strongest performers in the past can be expected gradually to decline in importance.

But other industries with prospects for unstinted growth are emerging. The electronics and electrical appliance industry, for example, is considered likely to surpass textiles within the next three years to become the country's leading industrial category, and plastics may well push textiles into third place several years thereafter.

In what was seen as a portent of things to come, the export value of Taiwan textiles dropped by \$160 million last year from the \$2.49 billion registered in 1976. While there is a return of growth this year, the textile sector's proportionate contribution to industrial production and export earnings will probably continue to fall.

The Taiwan textile producers are feeling the pinch not only from the quotas adopted by many advanced countries to protect their home industries, but also from the growth of textile manufacture in lesser developed nations with even lower wage rates than Taiwan's.

The government is no longer encouraging new investment in textile plants, except for the introduction of more modern equipment in existing factories to raise quality and productivity.

Trading Up

By "trading up" to higher-quality, higher-priced products, Taiwan can move out of direct competition with the lower-wage countries as well as gain better profits from the fixed volume allowed under quota systems.

One goal is to concentrate less on direct sale of yarn and piecegoods and more on processing into finished garments. Further, Taiwan hopes to develop the capability to make more fashionable clothing that can command higher prices, rather than the bargain-basement items of the past.

Toward this end, a design center was established by the industry this spring with government assistance. Several U.S. advisers have been hired to help boost the style of Taiwan-made garments.

Another industry that may have passed its peak is plywood, which

uses lumber imported from Southeast Asia. The supplying countries are now showing more interest in creating their own processing industries than in long-range promotion of raw-material sales.

The most dynamic sector at present is electronics and electrical products. Taiwan long ago graduated from the transistor radio stage and is now preparing for a similar jump from black-and-white television production to large-volume sales of color sets.

Last year more than four million black and white and nearly one million color sets were turned out by Taiwan factories. The biggest producers are major multinationals, but such fast-growing domestic companies as Taitung, Sampo and United are rapidly expanding their overseas markets.

'White Goods'

Other important sub-categories are electronic watches, telecommunications equipment, tape recorders, stereos and a wide range of parts, and components. "White goods," such as refrigerators and washing machines, are made mostly for the domestic market.

A major step in achieving self-sufficiency in components was taken last year when a government research institute opened a pilot plant producing integrated circuits (ICs) with technical assistance from RCA. Over the next few years increasingly sophisticated types of ICs will be added.

Taiwan is also planning much of its economic hope on the machinery industry, especially lathes and other machine tools. The leading factories are enjoying such brisk sales that they need to carry out expansion projects to keep up with the demand.

Two factories are already marketing numerical control (NC) lathes and numerous others are preparing to unveil NC machines within the next two years.

One reason for the current boom is thought to be the network of machinery showrooms that Taiwan has been setting up around the world in cooperation with local importers. Such a display center in the Netherlands has helped to stimulate a large volume of orders from

Western Europe, a previously untapped market.

Sales of heavy machinery and whole plants, mainly to Southeast Asia and other developing areas, are also considered promising. Taiwan will establish an export-import bank next month to supply the credit needed to promote that business.

The plastics industry, apparently

unfazed by the "orderly marketing agreement" last year that sharply restricted exports of Taiwanese footwear to the United States, has also been undergoing strong growth. Many shoe factories have been switching to other lines, such as handbags.

Some of Taiwan's biggest private corporations, such as several members of the Formosa Plastics

Group, are found in this industry. The group's flagship company, the Formosa Plastics Corp., is now the largest PVC (polyvinyl chloride) producer in the Far East and aims to become the largest in the world when an expansion project raises annual output next year to 360,000 metric tons.

With such extensive plastics and synthetic-fiber industries in place, Taiwan has been carrying on "backward integration" in recent years by building up its foundation in petrochemicals. The state-run Chinese Petroleum Corp. this spring brought its third naphtha cracker onstream and is already proceeding with plans for a fourth, designed to boost total output of ethylene, the basic feedstock, to nearly one million metric tons a year.

Supertankers

Shipbuilding is another emerging industry spearheaded by a state enterprise, the China Shipbuilding Corp. Its huge drydock at Kao-hsiung was built to specialize in supertankers. Two, in fact, have already been launched.

But its other supertanker orders evaporated when the oil crisis struck, and CSBC will have to make do with smaller cargo vessels. A massive domestic shipbuilding program designed to expand Taiwan's merchant marine will be able to keep CSBC's two yards occupied for several years.

Although agriculture's share of net domestic product has been dropping steadily (it was 18.5 percent in 1969 and only 13.4 percent last year), the strength of Taiwan's agricultural sector has provided a firm underpinning for the entire economy.

Farming methods have been steadily modernized as a result of an effective extension system and the existence of literate farmers who are open to new ideas. Research institutes have also come up with numerous high-yield crop varieties.

Taiwan's farmers annually produce more than enough rice for domestic consumption, as well as such cash crops as mushrooms, asparagus and pineapple to supply to canneries for export sales. Food-stuff imports are mostly feed grains — chiefly wheat, corn and soybeans — not produced in quantity in Taiwan.

—D.H.S.

Export Processing Zones Are Nation's Showpieces

TAIPEI (IHT) — Ever since Taiwan's first export processing zone (EPZ) opened in 1966, these combination industrial parks and free trade areas have been among the island's economic showpieces.

Today, three zones are in operation — two near Kao-hsiung in the south and one near Tai-chung in central Taiwan. All together they employ 268 factories with 70,000 workers and a capital investment of \$230 million (nearly all of it foreign investment).

Total exports from the zones last year came to \$750 million, representing more than 8 percent of the nation's sales abroad.

Some of the factories in the zones bear internationally known names, such as Philips, General Instrument, Grundig, Zeiss, Mitsui and Yamaha. But more commonly, the zones attract smaller companies that, with their limited personnel, particularly appreciate the ease of doing business there.

Since virtually all production is for export, import duties are eliminated on raw materials and equipment. Sales and commodity taxes are waived as well.

Investors may use standard factory buildings provided by the zone or buy land on a 10-year installment basis to construct a plant of their own design. The zones also offer inexpensive warehousing and transportation services.

Advantage

The biggest advantage of locating in an EPZ may be the centralization of all governmental functions in the zone administration. Outside the zones, investors must deal separately with numerous agencies on such matters as taxes, customs clearance, import and export licenses, corporate and land registration, construction licenses and foreign exchange settlement.

Most foreign investors who decide against locating in an EPZ do so because they need a larger plant site or wish to sell their products in the domestic market.

The government has cooperated with numerous other countries interested in creating export zones of their own. The Philippines, South Korea and Mauritius have developed similar facilities modeled on the Taiwan operation, and experts from Taiwan have helped prepare feasibility studies for Thailand, Indonesia, Senegal, Panama and Costa Rica.

"There is a constant parade of people through here from other countries to look at the zone," notes William F. Cole, general manager of the General Instrument Microelectronics plant in the Kao-hsiung EPZ. "When others copy you, you must be doing something right."

—D.H.S.

Around Taiwan in 6 Days... Enjoyably, Economically

Taiwan attracted more than one million foreign tourists in 1977. More are expected in 1978. For your clients who want to explore the many attractions and wonders of "Ilha Formosa," as enraptured 16th century Portuguese mariners fondly christened the island, travel agents offer the 6-day "Panorama Taiwan Tour" for only US\$250. Complete with de luxe hotel accommodations, breakfasts, reserved-seat transportation in airconditioned buses, trains and planes. The tour includes the National Palace Museum in Taipei, housing the world's largest and most priceless individual collection of Chinese art treasures; the Taroko Gorge, one of the greatest natural wonders of the world; and the poetically named Sun Moon Lake, 2,500 feet above sea level...



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The Social Gaps Are Steadily Receding

TAIPEI (IHT) — The division between "mainlanders" and Taiwanese, for years a central social and political fact of life in Taiwan, has been steadily receding in importance.

The identification cards of young mainlanders still carry the names of distant Chinese provinces they never saw, but most look upon this island as their permanent home. At the same time, younger Taiwanese feel a stronger Chinese cultural identity than did their parents, who grew up during the 50-year Japanese colonization. Inter-marriage, once rare, is increasingly common.

The dialect barrier — spoken Taiwanese and Mandarin differ as much as French and Italian — is no longer a major obstacle. Taiwanese youngsters study Mandarin in the classroom; the mainlanders pick up Taiwanese dialect in the playground.

Most Taiwanese are descended from 17th-century migrants from Fukien province. Despite their majority status in Taiwan (roughly 85 percent of the population), for a long time they were virtually excluded from national-level political affairs after the central government withdrew here from the mainland in 1949.

But in recent years the Chiang Ching-kuo administration has been systematically bringing more "local people" into government service, including many high-level posts, to reduce Taiwanese resentment. Mr. Chiang purposely tapped a Taiwan native, provincial governor Shieh Tung-min, as his vice presidential candidate.

Gaps

While the communal gap has been narrowed, however, another breach — between the generations — has been opening. Regardless of provincial origin, many younger people consider the national legislative bodies, most of whose members were elected nearly 30 years ago, as unable to provide effective representation. Since the government insists that complete new elections must await "recovery of the mainland," the old legislators retain their seats indefinitely.

Also frustrating to younger people is that they are dominant numerically (65 percent of the population is under 30) but career advancement often tends to be slow, as older people are reluctant to let



Street merchant sells fruit and vegetables in Taipei.

go of their traditional prerogatives. Another problem has been the shortage of satisfactory job opportunities for the numerous college graduates in the liberal arts. The

government program has put more emphasis on technical and vocational education. Whereas, five years ago only 30 percent of high school students were enrolled in

such courses, an expansion of vocational school facilities has since raised the proportion to 70 percent. Education is compulsory through junior high school, and competence is strong in the national entrance examinations for high schools and colleges.

The heavy brain drain of the past has been diminishing. Though thousands still go abroad each year to graduate school, more and more are returning after obtaining advanced degrees. Those with technical backgrounds, in particular, find challenging jobs in industry and government.

In Chinese society, the family has always served as the primary social welfare agency, but the government has also been doing more in this area. An anti-poverty program known as "Operation Well-to-do" has had considerable success by concentrating on job training and medical care.

Improvement of housing conditions is currently among the government's priorities. Public housing is being vastly increased and loans are being offered to spur private construction of low and middle-income dwellings.

—D.H.S.

China Airlines: A True 'Flag Carrier'

By Michael Boydell

TAIPEI (IHT) — Many countries refer to their national airlines as "flag carriers," but in few cases is the term more aptly applied than to China Airlines.

Taiwan sees the airline's role as promoting the country's diplomatic, as well as its economic, interests. Whenever purely financial considerations clash with the interests of the flag, it is a certainty that the latter will prevail.

This was clearly illustrated in 1974 when Japan announced that it did not recognize the Republic of China flag as a national emblem since it wanted to sign air traffic rights with the People's Republic of China.

The Taiwan authorities responded by severing the air links between the two countries for both CAL and Japan Airlines.

It took Japan 18 months of lost revenues on the so-called "golden route" to capitulate. They an-

nounced that the Republic of China flag was indeed a national flag, and they started a brand new airline to satisfy the Communists.

The interests of the flag prevailed again in a much shorter dispute with the Japanese late last year over CAL's continued use of Tokyo's Haneda airport when other airlines, including China's, were told they had to switch to Narita.

Bowing to protests that Haneda's proximity to downtown Tokyo gave CAL an unfair advantage, the Japanese authorities tried to reduce the airline's operating hours. When Taiwan authorities threatened to take reciprocal action against the Japanese carrier, CAL was finally granted the right of unrestricted use of Haneda.

National interests and prestige were also behind a decision to open a service to Saudi Arabia, one of Taiwan's closest allies and supplier of almost half of the country's oil.

Aviation authorities here are cur-

rently putting emphasis on extending CAL's routes to Europe, another area of political as well as economic significance. Negotiations are under way with Dutch authorities to open a service to Amsterdam. Destinations in West Germany, France and Belgium are also being sought.

With all these expansion plans the airline is also adding to its fleet. Already possessor of three Boeing 747s (one an SP that flies direct from Taipei to the U.S. West Coast), CAL has one more on order and an option on a fifth.

For shorter-range aircraft, the decision has been made to buy wide-bodied planes, with a preference for DC-10s or TriStars (up to a total of six) because of Taiwan's strong trade links with the United States.

The new aircraft and expanded routes will help to keep the Republic of China flag flying in many countries that long ago ceased formal diplomatic relations with Taiwan.

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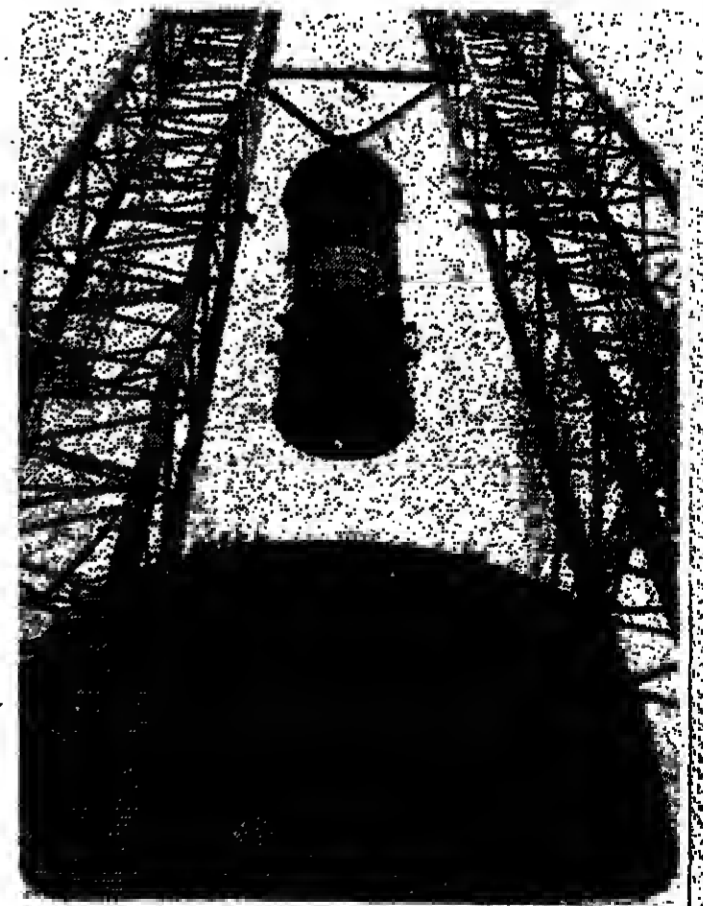
NUCLEAR POWER THAT HELPS VITALIZE A DYNAMIC ECONOMY IN TAIWAN

Power in Taiwan is now entering a nuclear age. This has been an integral part of our national economic development program. The huge nuclear power program started as early as November 1970. It consists of three power plants with altogether six nuclear units. The first unit of the first plant is completed for commercial operation in June 1978.

Installation of the first reactor of Taipower's second nuclear plant on May 9, 1978 signified another giant step forward in the energy development of Taiwan.

Aside from three months of scrupulous preparations, our engineers took four trying hours to lower the reactor, weighing 600 metric tons and standing 21.6 meters high, to its base. When completed by October 1981, the dependable, pollution-free generating unit will yield an additional 985 MWe for Taipower's installed capacity which has now exceeded 7 million KW. An enormous expense on the imported oil fuel would be saved, too.

The ample, low-cost electric energy supplied by Taiwan Power Company throughout Taiwan and the off-shore islands has been perhaps the greatest single factor contributing to the 4-fold increase in Taiwan's GNP over the past two decades. With its extensive development plans and excellent service, Taipower assures Taiwan of a more affluent society in the years to come.



The reactor pressure vessel of the second nuclear plant is being lowered to its base.

TAIWAN POWER COMPANY
Taipei, Taiwan, Republic of China

2 Month	Stock	Sis.	Close	Ch'ge Prev	12 Month	Stock	Sis.	Close	Ch'ge Prev	12 Month	Stock	Sis.	Close	Ch'ge Prev
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27%	21%	Genstr	1.48	5.5	5	15	u27%	27%	27%
38%	29%	GenuP1	1.10	2.8	16	47	20%	38%	20%+

10%	15%	Kouf pf 1.50	8.6	2	17½	17¼	17½+
16%	9%	Keene .40	2.4	8	77 u17	16½	17 +
12	8%	Bl. Keene	3.7	4	85	33%	33%

KIDDE

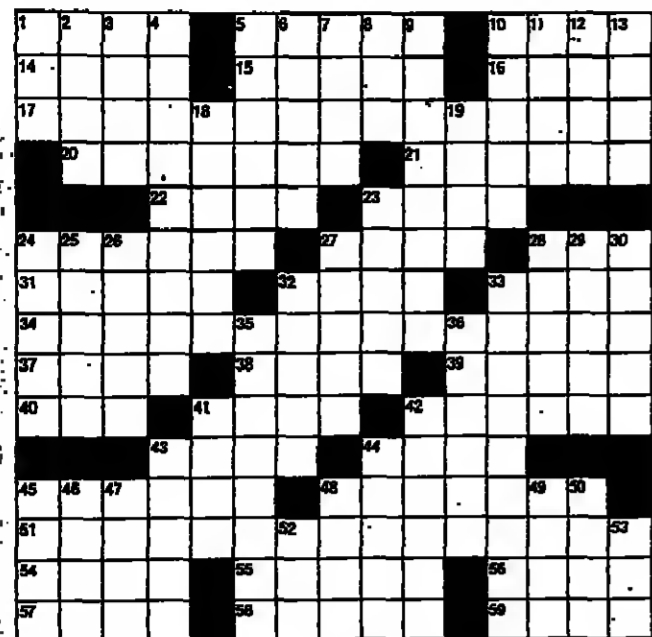
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Page 13

[illegible]

CROSSWORD

By Eugene T. Malachuk



- ACROSS**
- 1 Pluck
10 River in Bavaria
14 Pave the way
15 Wading bird
16 Oats, e.g.
17 Old Glory
20 Research conference
21 With intensity
22 British machine gun
23 Not quite closed
24 Lessons
27 In (boggled down)
28 Knock
31 Frugal one
32 Seth's son
33 Partake of sustenance
34 Old Glory
37 Geological time divisions
38 Word with say or devil
39 Blessed
40 Trinitrotoluene
41 Commercial paper
42 Chores
43 Kind of measure
44 School orgs.
45 Nearly
46 Escalated
51 Old Glory
- DOWN**
- 1 "Johnny, Your Gun!"
2 College-game yells
3 Words of comprehension
4 Fitzsimmons's men
5 Embarrassing displays
6 Firth of Clyde
7 Equitable
8 Ref. book
9 Change one's mode of life
10 Something sometimes irrefusable
11 Assist
12 Not imaginary
13 Nervous
18 Bishops' wear
19 Without water or soda
- PEANUTS**
- 23 "Mighty Lak"
24 Dance-sheet item
25 Drum major's need
26 - garde
27 Go-between of 1780
28 Mature
29 In re
30 Nuisances
32 Related on the mother's side
33 Liable to be separated
35 Taking by choice
36 Impede
41 Humorous poet
42 Three sheets to the wind
43 Campanile
44 A partner of time
45 River under the Ponte Vecchio
46 Ponce de
47 Goods; Abbr.
48 Tunny or Sarazan
49 Impetuous ardor
50 Kind of pan or bowl

WEATHER

	C	F		C	F		
ALGARVE	63	77	cloudy	MADRID	57	75	cloudy
AMSTERDAM	52	65	overcast	MIAMI	75	85	cloudy
ANKARA	30	86	fair	MILAN	14	57	showers
ATHENS	32	90	fair	MONTREAL	15	59	showers
BEIRUT	29	84	fair	MOSCOW	14	57	overcast
BERGAMO	14	57	rain	MUNICH	13	55	cloudy
BERLIN	14	57	showers	NEW YORK	24	75	rain
BRUSSELS	12	53	fair	NICE	20	72	fair
BUDAPEST	14	57	overcast	OSLO	19	66	fair
CASABLANCA	21	70	cloudy	PARIS	13	55	overcast
COPENHAGEN	18	64	overcast	PRAGUE	13	55	showers
COSTA DEL SOL	29	84	fair	ROME	22	72	rain
DUBLIN	15	59	fair	SANTO DOMINGO	22	72	rain
EDINBURGH	13	55	cloudy	SEATTLE	47	67	cloudy
FLORENCE	25	77	fair	ST. LOUIS	22	72	cloudy
FRANKFURT	14	57	overcast	TUNIS	26	79	cloudy
GENEVA	17	63	cloudy	VIENNA	15	59	overcast
HELSINKI	14	57	rain	WARSAW	12	53	showers
ISTANBUL	30	86	fair	WASHINGTON	23	73	cloudy
LAS PALMAS	21	70	cloudy	ZURICH	14	57	overcast
LISBON	18	64	overcast				
LONDON	11	52	overcast				
LOS ANGELES	22	72	fair				

(Yesterday's readings U.S. and Canada at 1700 GMT, EUROPE at 1200 GMT.)

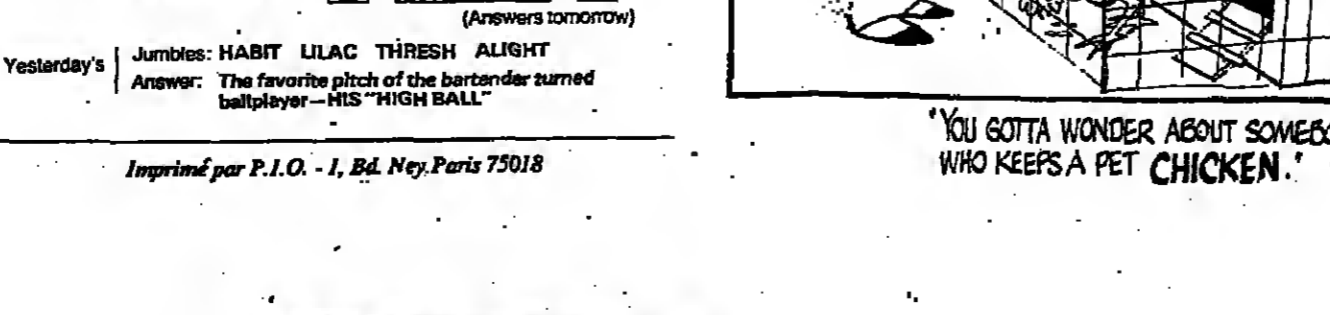
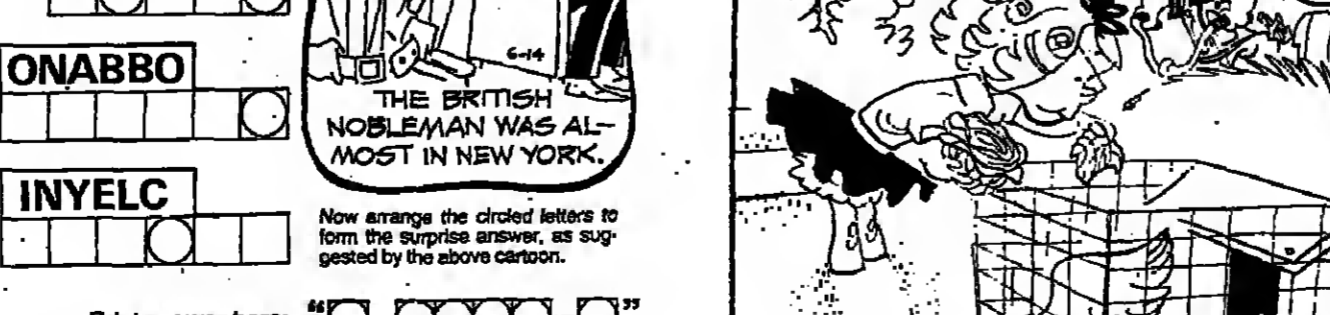
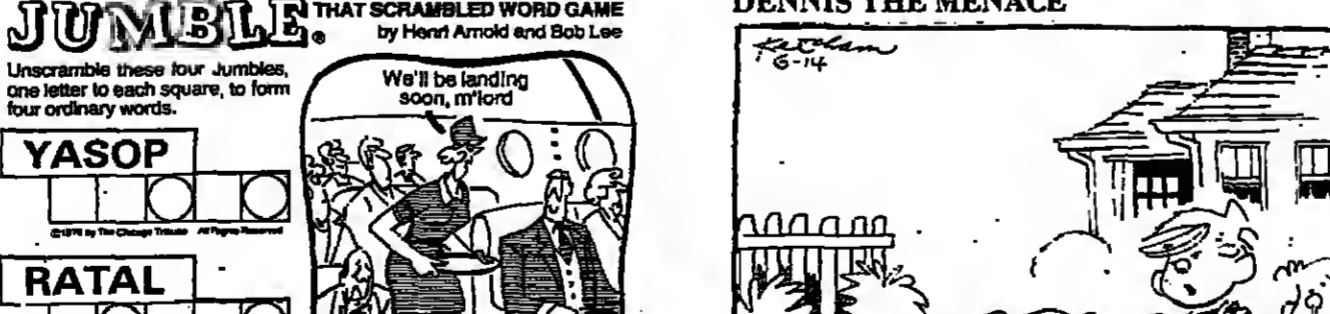
(Yesterday's readings U.S. and Canada at 7:00 GMT; all others at 12:00 GMT.)

INTERNATIONAL FUNDS

ADVERTISING

June 13, 1978

The net asset value quotations shown below are supplied by the funds listed with the exception of some Swiss funds which are based on London prices. The following margin of symbols indicate frequency of quotations supplied for the day: (d)—daily; (w)—weekly; (m)—monthly; (r)—regularly; (i)—irregularly.		Other Funds	
BANK JULIUS BAER & Co Ltd:		(w) Alexander Fund \$7.26	
(d) Biorbond	\$7.26	(w) Trustar Int. Fd. \$1.23	
(d) Biorbond	\$7.26	(w) Trustar Int. Fd. \$1.23	
(d) Biorbond	\$7.26	(w) Trustar Int. Fd. \$1.23	
BANQUE VON ERNST & CIE:		(w) Trustar Int. Fd. \$1.23	
(d) C&S Fund	\$7.26	(w) Trustar Int. Fd. \$1.23	
(d) C&S Fund	\$7.26	(w) Trustar Int. Fd. \$1.23	
BRITANNIA TRUST MGMT. CO. Ltd.:		(w) Trustar Int. Fd. \$1.23	
(d) Universal Bond Trust	\$1.23	(w) Trustar Int. Fd. \$1.23	
(d) Universal Bond Trust	\$1.23	(w) Trustar Int. Fd. \$1.23	
CAPITAL INTERNATIONAL S.A.:		(w) Trustar Int. Fd. \$1.23	
(w) Capital Int. Fd.	\$1.23	(w) Trustar Int. Fd. \$1.23	
(w) Capital Int. Fd.	\$1.23	(w) Trustar Int. Fd. \$1.23	
CREDIT SUISSE:		(w) Trustar Int. Fd. \$1.23	
(d) Actions Suisse	\$1.23	(w) Trustar Int. Fd. \$1.23	
(d) Actions Suisse	\$1.23	(w) Trustar Int. Fd. \$1.23	
DIET INVESTMENT FRANKFURT:		(w) Trustar Int. Fd. \$1.23	
(d) Concentro	\$1.23	(w) Trustar Int. Fd. \$1.23	
(d) Concentro	\$1.23	(w) Trustar Int. Fd. \$1.23	
FIDELITY (IRRMUDA):		(w) Trustar Int. Fd. \$1.23	
(w) Fidelity Amer. Assets	\$1.23	(w) Trustar Int. Fd. \$1.23	
(w) Fidelity Amer. Assets	\$1.23	(w) Trustar Int. Fd. \$1.23	
G.T. BERNUARDI LIMITED:		(w) Trustar Int. Fd. \$1.23	
(w) Berry Pac. Fd. Ltd.	\$1.23	(w) Trustar Int. Fd. \$1.23	
(w) Berry Pac. Fd. Ltd.	\$1.23	(w) Trustar Int. Fd. \$1.23	
JARDINE FLEMING:		(w) Trustar Int. Fd. \$1.23	
(d) Jardine Japan Fund	\$1.23	(w) Trustar Int. Fd. \$1.23	
(d) Jardine Japan Fund	\$1.23	(w) Trustar Int. Fd. \$1.23	
LLOYDS INT. MGT. CO. 379 GENEVA 11:		(w) Trustar Int. Fd. \$1.23	
(w) Lloyds Int. Growth	\$1.23	(w) Trustar Int. Fd. \$1.23	
(w) Lloyds Int. Growth	\$1.23	(w) Trustar Int. Fd. \$1.23	
PROPERTY GROWTH OVERS. INC.:		(w) Trustar Int. Fd. \$1.23	
(w) U.S. Dollar Fund	\$1.23	(w) Trustar Int. Fd. \$1.23	
(w) U.S. Dollar Fund	\$1.23	(w) Trustar Int. Fd. \$1.23	
SOFIO GROUPE GENEVA:		(w) Trustar Int. Fd. \$1.23	
(d) Portion Sw. R. Ed.	\$1.23	(w) Trustar Int. Fd. \$1.23	
(d) Portion Sw. R. Ed.	\$1.23	(w) Trustar Int. Fd. \$1.23	
SWISS BANK CORP.:		(w) Trustar Int. Fd. \$1.23	
(d) American-Value	\$1.23	(w) Trustar Int. Fd. \$1.23	
(d) American-Value	\$1.23	(w) Trustar Int. Fd. \$1.23	
UNION BANK OF SWITZERLAND:		(w) Trustar Int. Fd. \$1.23	
(d) Amer. U.S. \$1	\$1.23	(w) Trustar Int. Fd. \$1.23	
(d) Amer. U.S. \$1	\$1.23	(w) Trustar Int. Fd. \$1.23	
UNION INVESTMENT FRANKFURT:		(w) Trustar Int. Fd. \$1.23	
(d) American-Value	\$1.23	(w) Trustar Int. Fd. \$1.23	
(d) American-Value	\$1.23	(w) Trustar Int. Fd. \$1.23	
UNION INVESTMENT FRANKFURT:		(w) Trustar Int. Fd. \$1.23	
(d) American-Value	\$1.23	(w) Trustar Int. Fd. \$1.23	
(d) American-Value	\$1.23	(w) Trustar Int. Fd. \$1.23	



BOOKS

THE YUGOSLAVS

By Dusko Doder, Random House, 256 pp. \$10.

Reviewed by Yorick Blumenfeld

THE MOST challenging way to respond to anarchy is through pastiche. This is what foreign correspondent Dusko Doder has done in writing about Yugoslavia. He recognized that a country which is an amalgam of six constituent republics, three nationalities and four languages, three religions and two alphabets simply cannot fit the conventional expository mold.

"The Yugoslavs" is the legacy of a three-year assignment to the Belgrade bureau of The Washington Post between 1973 and 1976. As a native-born Serb, Doder was strategically placed to observe a Yugoslavia which the casual American tourist to Dubrovnik never suspects. For although the Yugoslav Communists tolerate, and even encourage, freedom of movement, to a large extent freedom of speech or the independence of the judiciary remain circumscribed.

The most arresting, poignant passages of this book, which is interspersed with personal narrative, are those where Doder is searching for his own identity. Yugoslavia has changed beyond recognition since he left it as a young boy. One senses his disappointment, frustration, and bitterness as even his aunt and uncle, instead of embracing him back into the family circle, suspect him of being an American spy.

A few weeks after his arrival in Belgrade, Doder and his wife were flagged down by a policeman. After being told to drive on, Doder started to ask the cop for directions. But instead of listening to his question, the Serb swung his nightstick toward Doder's head. Fortunately, the full impact of the blow fell on Doder's shoulder.

Doder's offense had been to drive on a street near Tito's compound. The deputy minister of information later told Doder that an investigation of the incident had been conducted and he concluded, by way of a satisfactory apology: "You see, he thought you were a Yugoslav." If only Doder had spoken English, as I did on a very similar occasion, he would not have been clubbed. Neither would he have developed his valuable insights into the way ordinary citizens are treated by the local constabulary.

In such a serious and forthright work, the pastiche method also has its drawbacks. The author appears to move almost haphazardly from one mode to another, interspersing economics with gossip, personal narrative with sociology. Eventually, Doder settles down to discuss the country's leading political figures: Tito and Djilas.

Doder enjoyed a warm relationship with Djilas but only saw that last of the Hapsburg princes, Tito, from afar. Djilas told him, for example, how the top Yugoslav leadership secretly brought Jovanica Budisavljevic (now the controversial Mrs. Tito) and the partisan chief together. "Rankovic proposed that we get several attractive and reliable Communist girls and place them to work in Tito's household, then let nature take its course." Tito favored the 21-year-old Jovanica. Such were the ways of Communist matchmaking.

Doder describes how, despite his initial penchant for Moscow-directed Communism, historic circumstances forced Tito to take a different path. Doder estimates that over the last three decades, this pragmatic, nonideological approach has succeeded. The country has prospered; Tito has opened the borders to the West. However, he points out that Tito's Marxist critics have argued that the forgotten version of Communism has failed to provide equal social conditions. Yugoslavia is now a country with a few very rich, a large middle class, and with considerable pockets of both poverty and unemployment.

Doder concludes that Tito has outlived his usefulness. The general populace, although accustomed to paternalism and the illusion of stability, has been waiting for a long time for the end of the Tito era. "And the longer it waits the greater the gulf between the existing power structure and changing attitudes and values." Although Doder seems optimistic that Yugoslavia is slowly drifting towards a pluralistic society, he believes that as long as Tito remains in charge, the system is bound by its Marxist chains.

Is Yugoslavia going to retain its equilibrium in the post-Tito era, or is it going to totter? Doder is convinced the country will not come apart at the seams. At the same time, he recognizes that any meaningful reforms, extending freedom of speech and of the press, could provoke an intensely hostile reaction in Moscow. There is little room for maneuver. None of this is new, but it is because he is so balanced in his views, so reasonable in his analyses that this book provides the best insights into contemporary Yugoslavia of any work currently in print.

Yorick Blumenfeld covered Eastern Europe for Newsweek magazine. The Washington Post

Best Sellers

The New York Times

This list is based on reports from more than 1,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

Rank	Title	Author	Weeks on list
1	BLOODLINE	by Sidney Sheldon	2-18
2	THE HILLCROFT COVE	by Robert Ludlum	4-14
3	THE HILLCROFT COVE	by Robert Ludlum	1-10
4	THE HILLCROFT COVE	by Robert Ludlum	1-5
5	THE HILLCROFT COVE	by Robert Ludlum	1-5
6	THE HILLCROFT COVE	by Robert Ludlum	1-5
7	THE HILLCROFT COVE	by Robert Ludlum	1-5
8	THE HILLCROFT COVE	by Robert Ludlum	1-5
9	THE HILLCROFT COVE	by Robert Ludlum	1-5
10	THE HILLCROFT COVE	by Robert Ludlum	1-5
11	THE HILLCROFT COVE	by Robert Ludlum	1-5
12	THE HILLCROFT COVE	by Robert Ludlum	1-5
13	THE HILLCROFT COVE	by Robert Ludlum	1-5
14	THE HILLCROFT COVE	by Robert Ludlum	1-5
15	THE HILLCROFT COVE	by Robert Ludlum	1-5

BRIDGE

By Alan Truscott

On the diagram North and South were using the Precision System, so the failure to open one club limited North's high card strength. His subsequent jump to three diamonds showed about 15 high-card points with at least five cards in each red suit. South naturally settled in three no trump and had difficult problems in solve because the defenders were able to prevent him from reaching his own hand.

The declarer was forced to lead repeatedly from the dummy. He considered leading a diamond to his ten, but chose to lead the ace. East won with the ace and had to do something to help declarer. He tried the heart jack, which was won with the ace in dummy. The diamond queen and another diamond gave West the lead with the eight in this position:

Thanks to the heart nine in closed hand, West had no way to take more than one trick. He cashed the diamond jack and then gave the rest of the tricks to dummy, by leading the queen, or allow South to finesse hearts and score the rest of tricks in his hand.

The wrong diagram was published with yesterday's edition. The 117 regrets the error.

Both sides were vulnerable. The bidding:

North: 1♣, 2♦, 3♦, 4♦, 5♦, 6♦, 7♦, 8♦, 9♦, 10♦, 11♦, 12♦, 13♦, 14♦, 15♦, 16♦, 17♦, 18♦, 19♦, 20♦, 21♦, 22♦, 23♦, 24♦, 25♦, 26♦, 27♦, 28♦, 29♦, 30♦, 31♦, 32♦, 33♦, 34♦, 35♦, 36♦, 37♦, 38♦, 39♦, 40♦, 41♦, 42♦, 43♦, 44♦, 45♦, 46♦, 47♦, 48♦, 49♦, 50♦, 51♦, 52♦, 53♦, 54♦, 55♦, 56♦, 57♦, 58♦, 59♦, 60♦, 61♦, 62♦, 63♦, 64♦, 65♦, 66♦, 67♦, 68♦, 69♦, 70♦, 71♦, 72♦, 73♦, 74♦, 75♦, 76♦, 77♦, 78♦, 79♦, 80♦, 81♦, 82♦, 83♦, 84♦, 85♦, 86♦, 87♦, 88♦, 89♦, 90♦, 91♦, 92♦, 93♦, 94♦, 95♦, 96♦, 97♦, 98♦, 99♦, 100♦.

West led the spade two.

East won the opening spade lead with the ace and resisted the temptation to return the suit. Instead, he exited with a club to dummy's ace.

هكذا من الأصل

Guidry Wins 10th Game, A 3-Hitter Over A's, 2-0

NEW YORK, June 13 (UPI) — Ron Guidry, backed by home runs by Willie Randolph and Jerry Remy, yielded only three hits in his 10th victory last night as he pitched the New York Yankees to a 2-0 triumph over the Oakland A's.

In his first shutout of the season, Guidry struck out 11 and walked two while lowering his league-leading earned-run average to 1.57. The 27-year-old southpaw has now won 18 of his last 19 regular-season decisions over two years. The complete game was his fifth this year.

When the A's starter, Matt Keough, was forced to leave the

Carew Up for Bids

By Dave Anderson

NEW YORK, June 13 (NYT) — The auction for Rod Carew has begun. By midnight Thursday, the major league trading deadline, baseball's best hitter expects to be dealt by the Minnesota Twins to one of five contenders — the New York Yankees, the California Angels, the Texas Rangers, the Kansas City Royals or the Boston Red Sox.

Those are the only clubs that Carew would accept being traded to, as listed last week in a letter to Calvin Griffith, the Twins' owner, after their contract negotiations collapsed with the 32-year-old first baseman spurning a \$2-million offer over five years.

The Word Goes Out

During the weekend Griffith alerted those five teams that Carew was available. And the Yankees are interested. Al Rosen, the Yankees' president, acknowledged yesterday that "I'm going to let Calvin know we'd like to hear of any deal before he consummates it." But according to Rosen, the Yankees have not yet made a specific offer. Judging by the Bowie Kuhn \$400,000 limit in a deal, any of the five teams would have to include several players in order to obtain the symbol of the Twins franchise.

"Rod Carew is a premium-type ballplayer," Rosen said. "You don't get a chance at a ballplayer like that very often."

The timing of the auction makes it imperative that the Yankees inquire just as the timing minimizes the likelihood of the Red Sox's bidding for him. The Red Sox are six games ahead of the Yankees in the American League East and presumably are not about to break up their lineup, not even for Carew, while the Yankees need an elixir.

But is Carew worth whatever the Twins would demand? Surely the Twins would ask for Chris Chambliss, the first baseman who is hitting .303 and leading the Yankees with 35 runs batted in.

Meanwhile, the three American League West contenders — the Angels, Rangers and Royals — surely will bid high, especially since Carew might make the difference in their division race.

"I think the Angels could use me the most," Carew said over the telephone from Toronto where the sixth-place Twins were rained out last night. "The Angels don't have a day-to-day first baseman."

Costly Obsession

The Angels have been platooning Ron Jackson and Ron Fairly at first base. The Rangers have a solid first baseman in Mike Harbo, but their owner, Brad Chen, is obsessed with winning the division at almost any cost. The Royals have a rookie first baseman, Clint Hurdle, who could be named to the outfield. But Carew's contract situation might scare them off. Once a club satisfies Griffith with players and cash, it then must fulfill Carew's financial expectations. If not, he can veto the trade. His current \$200,000 annual contract expires after next season.

"I don't know what it would take," Carew said. "But there's one thing I do know, that I only want to sign one more contract. If I go somewhere else, I want to finish playing there."

Carew is leading the American League with 358 — stupendous for anybody else, almost a stopper for the six-time batting champion who hit .368 last season.

"With all this trade talk and contract negotiations, I haven't been able to concentrate like I should," Carew explained. "I've been going through the mill. I haven't been having any fun hitting like I did in other years. I don't have the same peace of mind. Maybe when this is over, I'll hit better. Especially with a chance of getting into the World Series for the first time — that's why I want to be traded."

He Likes the Bronx

As a hitter, Carew acknowledged that he would prefer to play home games at Yankee Stadium.

"I'd rather hit there than in any of the other teams' parks," he said. "Yankee Stadium is spacious. It has a lot of alleys where line drives go for extra bases. And if I pull the ball, right field is close. I also see the ball well there even since they've had the black background in center field where they don't sell seats."

Another factor in the Yankee deal is that Carew would be reunited with Billy Martin, once his Twins' manager.

"Billy is also my baby's godfather," Carew said, referring to his second of three daughters. "Back when I first came up with the Twins as a second baseman, Billy worked with me on my fielding, on playing the game, on being heads-up, hustling, always doing my best, not alibiing. And when he was the Twins' manager, I enjoyed playing for him."

But for now, Carew is waiting for a deal to materialize by midnight Thursday. So are his teammates.

"They keep saying to me, 'Five more days... four more days... three more days,'" Carew said. "But I don't want to pick up. I don't want to distract them. If something does happen, it'll be tough to pick up after 11½ years, and leave. But it's my decision. I want to be with the contender. You have to do what you think is right."

Monday's Line Scores

NATIONAL LEAGUE			AMERICAN LEAGUE		
Montreal	000 000-0	1	Seattle	000 000-4	10
San Francisco	000 000-0	1	Baltimore	000 000-0	0
Rays and Hernandez; Hollick and Hill, W.—Holtz, 2-1, L—Rosen, 7-6.					
St. Louis	000 000-0	7	California	000 000-0	3
Atlanta	000 000-0	7	New York	000 000-0	3
Victorino, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Chicago	000 000-0	4	Kanساس	000 000-0	3
Chicago	000 000-0	4	Los Angeles	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, Liffel (7) and Starnes; Mohler and Murphy, W—Holtz, 2-1, L—Rosen, 7-6.					
Philadelphia	000 000-0	7	Philadelphia	000 000-0	3
Los Angeles	000 000-0	7	Philadelphia	000 000-0	3
Holtz, L					

